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SURVEY OF
INTERNATIONAL AFFAIRS
1936

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SURVEY OF INTERNATIONAL AFFAIRS 1936

BY

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ASSISTED BY

V. M. BOULTER

Petits moutons, gagnez la plaine,
Fuyez les bois, crainte des loups;
Je ne puis me garder moi-même,
Comment vous garderai-je tous ?

Chanson Bocagère

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PREFACE

In the international arena in the calendar year 1936 the most conspicuous and widespread movement was a retreat—which at times and places almost quickened into a rout—of the forces that, since the peace settlement of A.D. 1920–1, had been supporting a collective system of international relations. This revulsion from a policy based on the theory that 'union is strength' to a movement of 'sauve qui peut' was an effect of the dismay that had been caused by the sensational success of two strokes against the post-war order of international relations. The first of these strokes was the Italian attack upon Abyssinia, which has been dealt with in the second volume of the *Survey for 1935*; the second stroke was the German military reoccupation of the Rhineland, which is one of the principal subjects of the present volume. Both strokes were struck with apparent impunity; and the consternation which these Italian and German successes produced was felt in some degree by almost all the Governments which, in the aggregate, represented that 'ninety per cent. of the population of the world' who, in President Roosevelt's estimation, were innocent of aggressive designs and wanted only to live, and let live, in peace.[1]

The new policy in which this widespread dismay expressed itself had both a negative and a positive side. Negatively it took the form of an endeavour to escape as far as possible from commitments to other states. It was noticeable, however, that the countries which went farthest in this direction in this year were also the most sensitive to any imputation that they were repudiating their social obligations. They deprecated the suggestion that they were reverting

[1] 'The peace, the freedom and the security of ninety per cent. of the population of the world is being jeopardized by the remaining ten per cent., who are threatening a breakdown of all international order and law.'—President Roosevelt at Chicago on the 5th October, 1937.

President Roosevelt had expressed himself in similar terms on more than one occasion during the past four years. For instance, in the message on disarmament which he addressed on the 16th May, 1933, to the heads of fifty-four states, he had declared his belief that 'only a small minority of Governments or of peoples' were accumulating armaments because they harboured a purpose of enlarging 'their territories at the expense of a sister nation', and that 'the overwhelming majority of peoples' felt 'obliged to retain excessive armaments because they' feared 'some act of aggression against them'. President Roosevelt recalled his earlier statements on this subject in his Message to Congress of the 3rd January, 1936; and he added on that occasion that 'it is even more true to-day that world peace and world good-will are blocked by only ten or fifteen per cent. of the world's population'.

towards a status of neutrality, and they protested their intention still to carry out their undertakings under the Covenant of the League of Nations. On the positive side the new movement towards national self-insulation expressed itself in a process of rearmament in which the lead was taken by all the Great Powers and was followed by almost all other countries, not excluding even the smallest and the poorest.

The notion which underlay this world-wide rearmament was that armaments would effectively deter an intending aggressor; and this calculation was based on a short view of recent events—in which the aggressors had in fact selected the weakest victims whom they could find. A longer view might suggest that the usual outcome of a competition in rearmament was not peace for some but war for all; and this would be a bad omen for the bout of rearmament which was playing so large a part in the life of the world in 1936. There was, however, one partially reassuring fact about world rearmament which comes out in the part of this volume that deals with world economic affairs. The figures did not bear out the fear that the economic boom which the world was enjoying at the moment might be nothing but an effect of rearmament. So far from that, the boom was proving most buoyant in countries in whose national economy rearmament was playing at the time a relatively subordinate rôle.

This was a hopeful feature in the landscape of the year 1936, and it was not the only one. For, if the general course of human affairs in this year was running through apprehension towards self-insulation and through self-insulation towards insecurity, there were at least two regions in which this general movement was stimulating a counter-movement by reaction. These two regions were the Middle East and the American Continent. In the Middle East in this year notable progress was made towards a settlement, on the one hand between the Middle Eastern peoples and the two West-European Powers, and on the other hand among the Middle Eastern peoples themselves. The year saw the conclusion of Anglo-Egyptian and Franco-Syrian and Franco-Lebanese treaties; the negotiation of a Middle Eastern Pact; a *rapprochement* between the Arab states; a settlement of boundary disputes between ʿIrāq and Persia and between Syria (here still represented by France) and Turkey; and a first step towards a solution of the Palestinian problem. On the American Continent the year saw the cessation of war, if not exactly the restoration of peace, between Bolivia and Paraguay, as well as further progress in the growth of mutual confidence between the Latin-American countries on the one side and the United States on the other.

On the other hand, an apparent turn for the better which was the keynote of this year in the Far East had proved, by the time when this preface was written in October 1937, to have been merely the lull before a storm of formidable violence. And one ominous feature of the international history of 1936 was the persistence of political tension in the Mediterranean. The Anglo-Italian declaration of the 2nd January, 1937, was perhaps less significant than Turkey's successful insistence upon recovering—albeit by due process of law—her naval and military command over the waters and shores of the Black Sea Straits.

While it has proved possible to publish the *Survey for 1936* within the covers of a single volume, as compared with the two volumes of the *Survey for 1935*, the present volume is nevertheless an inordinately long one. The reason for this is not that the scale of treatment has been increased, but that the events have been dealt with on the old scale under new conditions. The flow of international affairs will, of course, be as variable as that of all other human activities; and a stream which had suddenly diminished in volume after the conclusion of the Armistice of the 11th November, 1918, and then again, still farther, after the signature and execution of the subsequent peace treaties, began once more to swell after Herr Hitler's advent to power in January 1933, and mounted to still higher levels after Signor Mussolini's invasion of Abyssinia in the autumn of 1935. This was no new phenomenon; and if the series inaugurated in *The History of the Peace Conference* and continued in *The Survey of International Affairs* had been started after the Peace Conference of Vienna, and not only after the Peace Conference of Paris, it is evident that the volumes dealing with the years 1816–29, 1831–47, and 1872–1913 would have been less bulky than those dealing with the years 1830, 1848–71, and 1914–18. In this respect, the sudden increase in the flow of international affairs round about the years 1933–5 was quite according to precedent. There was, however, this time one cause of the increase in bulk that was unprecedented, and that was the virtual breakdown of a traditional distinction between affairs that were 'international' and affairs that were 'internal' to some particular country.

This distinction has never been anything but a convention, since social relations, in their very nature, submit to no bounds short of those of human life itself, and any attempt to cut out the 'domestic' histories of single tribes, states, or empires from the common life of Mankind has always involved a considerable measure of distortion and even misrepresentation. For practical purposes,

however, it proved possible, in the earlier volumes of the present series, to draw a line between nominally international and nominally internal affairs, and, on this basis, to follow a rule of excluding 'internal' affairs from consideration except in so far as those of this or that country, at this or that moment, might have to be taken into view in order to make the course of 'international' affairs intelligible. In an attempt to deal with the world of 1936, this convenient working rule has proved no longer practicable; for by this time the mutual interpenetration of 'international' and 'internal' affairs had ceased to be exceptional and had, in fact, become a rule which it was no longer possible to ignore.

This obliteration of traditional distinctions—which shed some light on the prospects of a Nationalism which at this time was kicking against the pricks in an endeavour to arrest the process of the unification of Mankind—was at the same time an embarrassment to the historian, and this particularly in dealing with the two important subjects of rearmament and 'ideologies'.

Officially, not one of the national Governments of the day would have been willing to admit that its own rearmament programme was an international affair. Every Government would have classified this as a matter of domestic concern, on the ground that its own sole purpose was self-defence and that its measures to that end were not directed against any other country. Yet, if the writers of this *Survey* had taken the Governments at their word on this point, the reader would hardly have been content with a *Survey for 1936* in which rearmament was passed over in silence; and he too could have quoted the politicians to his purpose; for while all politicians declared with one voice that rearmament was a domestic affair when it was done by themselves, they were equally unanimous in proclaiming it a matter of international concern when it was done by other people. Accordingly, the subject of rearmament has not been omitted from this volume; but it has, of course, been impossible to give a systematic survey of what was done in this field during the year in every country in the world. The subject has therefore been treated on the lines of 'Annus Terribilis' in the *Survey for 1931*.

A corresponding problem has been presented by the subject of 'ideologies'. Was it an 'internal' affair of Belgium and the United Kingdom respectively or an 'international' affair affecting the world as a whole when Monsieur Léon Degrelle was placed under arrest in Brussels and when Sir Oswald Mosley marched at the head of his followers through East London? In this field, too, the problem has been, not solved but tided over, by making the treatment selective.

This problem will present itself again—and here perhaps still more acutely—in the *Survey for 1937*, in the part that will deal with the international repercussions of the civil war in Spain. In the present volume this subject has not been broached, although it was one of the most important affairs of the year 1936, because it had not come to a head—and therefore not become ripe for treatment—before the beginning of 1937.

As before, the whole of this volume is the work of the two members of the staff of Chatham House whose names appear on the title-page except for those chapters to which other authors' names are attached. Two of these other contributors—Miss K. Duff, the writer of the part on the American Continent, and Mr. G. E. Hubbard, the writer of the part on the Far East—are also members of the staff of Chatham House. In addition the volume includes important contributions on world economic affairs from Mr. H. V. Hodson, on the Montreux Convention concerning the Black Sea Straits from Mr. D. A. Routh, and on Palestine from Mr. H. Beeley.

ARNOLD J. TOYNBEE

October 1937

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PART I
WORLD AFFAIRS

(i) Introduction

IN the year 1936 the spectacle that met the observer's eye in the international arena was more chaotic, and perhaps also more enigmatic, than it had been in the preceding year. In 1935 the whole field had been dominated by two pieces of action: in the foreground the Italian act of aggression against Abyssinia[1] and in the background the rearmament of Germany.[2] The majority of the international transactions of the year gravitated round either one or other of these two dominant movements; and since it was the rearmament of Germany in Europe which had given Signor Mussolini his opportunity to strike with impunity at his quarry in Africa, the two poles of international activity in 1935 could be reduced to an ultimate unity.[3] It was not so easy to discern an underlying order beneath the more heterogeneous events of the year 1936; and for this reason it may be convenient to open the present survey with a review of the more conspicuous tendencies of the year, in the hope that their interrelations may become clearer, before plunging into the crowded and confusing tale of diplomacy and propaganda and rearmament.

The last mentioned of these three activities is unhappily the tendency which has the best claim to the first place on our list; for, although this rearmament had already been in progress in 1935, it acquired a formidable fresh impetus as a result of the diplomatic and military events of that year. In 1936 rearmament was both the steadiest and the most widespread of all the movements in the international field. It was now no longer confined to countries of any one kind or calibre or locality. It was in full swing in democratic as well as in totalitarian states; in small countries as well as in those that ranked, or aspired to rank, as Great Powers; and in Africa and America as well as in Europe and the Far East. In fact, rearmament was threatening to dominate not only the economic but the political, and not only the political but the cultural life of the World.[4]

[1] See the *Survey for 1935*, vol. ii.
[2] See the *Survey for 1935*, vol. i, Part I.
[3] See *op. cit.*, preface.
[4] A detailed account of the process of rearmament in every country which was rearming at this time would far exceed the limits of space to which this *Survey* is confined. An attempt to give a bird's-eye view of world rearmament in 1936 is made in section (iii) of this part.

The main cause of this world-wide accentuation and acceleration of rearmament in 1936 was the anxiety that had been excited in many countries, and the hopes that had been kindled in a few, by the sudden disclosure of an apparent weakness in three forces—or three manifestations of a single force—that had separately counted for much, and had been paramount in unison, during the post-war years. The first of these forces was the post-war system of collective security. The second was the pair of West-European democratically governed and minded Great Powers—France and Great Britain—who between them had been the mainstays of the collective system ever since they had collaborated with the United States in founding the League of Nations at the Peace Conference of Paris. The third force that was visibly discomfited in 1936 was the troop of states of lesser calibre whose numbers had been notably increased by the triumph of the principle of national self-determination in the peace settlement of 1919–21.[1] In the forum of the League, and under the auspices of France and Great Britain, the states of this calibre had been playing a more active and effective part in international affairs than at any time since the General War of 1792–1814 and the peace settlement of 1814–15,[2] and by contrast their discomfiture in 1936 was the more conspicuous.

All these lesser states drew the same moral from the outcome of the Italo-Abyssinian conflict. They concluded that they could no longer look for protection either to 'the institution at Geneva' or to the Governments in Paris and London; and although a majority of them fell into the procession of rearmament, they were all aware that, when they had rearmed to the utmost of their puny powers, they would still find themselves virtually helpless in face of any of their great neighbours who might choose to do to them what Italy had done to Abyssinia. These lesser states, therefore, could not yield to the illusion—so seductive, though perhaps also deadly, to the Great Powers—that armaments could be made to do duty for statesmanship.[3] In the lesser capitals the Governments, however industriously they might be rearming, were unable to blind themselves to the truth that their fortunes depended on their foreign policy; and in looking

[1] See *The World after the Peace Conference*, section (iii).

[2] See *op. cit.*, section (ii).

[3] France, for example, during the post-war years, had acted on the assumption that her temporary military supremacy in Europe dispensed her from the necessity of making peace with her German adversary while she was in the way with him; and Great Britain, at the time of writing, seemed to be playing with the idea that her rearmament might enable her to realize her dream of 'splendid isolation'.

for new policies to suit their new plight of aggravated insecurity the lesser states now began to part company with one another along two divergent roads.[1] Those that fancied themselves capable of avoiding belligerency in a future general war—either because they would not be so weak as to invite attack or would not lie so directly in the fairway of the combatant Powers as to be inevitably overrun—took steps to attenuate their existing commitments to countries which appeared to be less fortunately placed, while at the same time they signalled to the prospective aggressor—in some cases with an almost indecent frankness—their own intention to refrain from hampering him in the criminal pursuit of his ambitions so long as he were content, for his part, to direct his war-path across some other party's domain and to select some other target for his lightnings.[2] There were, however, other small states which did not see their salvation in a policy of detachment—either because they had no hope of being left in peace, however high the price that they might be prepared to pay for it, or else because they cherished unfulfilled ambitions or unredressed grievances of their own—and these states now took the alternative course of seeking protection or satisfaction, as the case might be, by commending themselves to some Great Power whose own national interests might counsel it to accept the small state's homage and to act, in return, as the small state's champion. The lesser states which embarked, whether by choice or by necessity, upon this more hazardous course were, however, few in number relatively to those which opted for the alternative policy of detachment.

The first of these states of lesser calibre to adopt this policy of reverting to something very like neutrality—a reversion which was at variance with the spirit, even if reconcilable with the letter, of the Covenant—had been Poland: a successor state of three

[1] This parting of the ways was pointed out on the 22nd October, 1936, by the Foreign Minister of Czechoslovakia, Monsieur Krofta, in a speech in which he alluded to the *exposé* of Belgian policy which had been published on the 14th October.

[2] The lesser states that took this line in the year 1936 were all inclined to display a certain sensitiveness over the terms in which their policy was described by other parties. For example, both the Poles and the Belgians objected to the description of their policy as being one of neutrality. They both insisted that they had no intention of defaulting on any of their obligations under the Covenant of the League of Nations; and while the Belgians were admittedly seeking to contract out of their special commitments—over and above the general obligations of the Covenant—towards Great Britain and France (see section (i) (*j*) of Part III, below), the Poles maintained that they had never wavered, and had no intention of wavering now, in their loyalty to the Franco-Polish Treaty of the 19th February, 1921 (see Part III, section (iii), below).

pre-war empires which was the nearest to greatness among the 'near-great' Powers on the post-war map of Europe yet was nevertheless a dwarf by comparison with either her German or her Russian neighbour. Poland had entered upon this path when she had concluded her non-aggression pact with Germany on the 26th January, 1934;[1] and although this step may not, in Polish minds, have been either regarded as inconsistent with, or intended as derogatory to, the existing Franco-Polish alliance, it had come as a severe blow to France, who suddenly felt herself unable to count upon the co-operation of her earliest post-war ally on Germany's eastern flank. In 1936 France suffered a second blow—which was equally sudden and still more sharp—when her own northern frontier was threatened with exposure by the new departure *à la Polonaise* in Belgian foreign policy which was announced in the King of the Belgians' *exposé* of the 14th October.[2] This deliberate loosening, by Belgian hands, of the post-war bonds in which Belgium had bound herself to France considerably encouraged Germany's hopes and stimulated her ambitions; and this painful reverse in Europe was the first instalment of the nemesis for the *lâchesse* of the French in abandoning a weak African state to an Italian aggressor at the cost of allowing the League of Nations to come to grief. There was a profound irony in the fact that the Belgian Prime Minister who was responsible for this in French eyes calamitous change in Belgian policy had been lending himself, only a few months before, as an instrument for the execution of Monsieur Laval's and Monsieur Flandin's policy of sabotage at Geneva. The French statesmen who had induced Monsieur van Zeeland to play this accommodating rôle had perhaps not reflected that they were thereby giving their Belgian colleague a pungent foretaste of the fate which might be awaiting Monsieur van Zeeland's own country if she continued to put her trust in the Great Power that was so cold-bloodedly betraying an African protégée to whom France was bound, as she was to Belgium, by the Covenant of the League. In this chapter of the history of Franco-Belgo-Abyssinian relations, the operation of poetic justice was so expeditious and so complete that the tale might be in danger of being dismissed as the fiction of a moralist if it were recorded in the pages of Plutarch and not in those of state papers which were contemporaneous with the event.

While this Belgian impulse to steer clear of France was the most striking move towards detachment of any that were made in the course

[1] See the *Survey for 1933*, pp. 184–6, and the *Survey for 1935*, vol. i, pp. 60–1, 204 *seqq.*, 275, 279, 288–9, 296–7.

[2] See the present volume, Part III, section (i) (*j*).

of this year, it had its counterparts in South-Eastern Europe, where two members of the Little Entente, Jugoslavia and Rumania, betrayed an inclination to leave their partner Czechoslovakia in the lurch in the event of her being attacked by Germany, while Greece betrayed a similar inclination to serve Jugoslavia and Rumania in the same fashion—in breach of the undertakings of the Balkan Pact—if the German attack, when it came, were to penetrate the lower as well as the middle Danube Basin.[1] In South-Eastern Europe in 1936 the most significant single portent of the weakening of the solidarity between the post-war successor states was the fall of Monsieur Titulescu[2]—a Rumanian statesman of great ability and force of character who had been a pillar of the League of Nations as well as of the Little and the Balkan Ententes.

This *débandade* of the lesser Powers towards a precarious detachment was traversed, however, by certain counter-currents. For example, Monsieur Titulescu's successors in power at Bucarest took steps to arrange for a co-operation between Rumania and Poland for the maintenance of a zone of insulation in the perilous no-man's-land between a resurgent Germany on one side and a juvenescent Russia on the other;[3] and—more noteworthy still—the Poles, who had led the way in the retreat towards detachment in 1934, were moved in 1936, in face of the unremitting rearmament of Germany, to bestir themselves for the revival of their languishing friendship with the French.[4] Nevertheless, the drift towards detachment was the prevalent movement among the lesser states at this time. On the other hand, the minority of the states of this class which eschewed detachment and chose the contrary alternative of clientage was important out of proportion to its numerical strength, because this policy was only practicable for a small state when it possessed some asset—in most cases, its strategic position—which was of sufficient value to tempt a Great Power into assuming the burden of constituting itself this small state's guarantor.

In 1936 there were at least seven small states in Europe which had either entered or were in course of entering or were alleged to have entered into this relation of clientage-and-championship with some Great Power. Austria and Hungary had publicly bound themselves to Italy in the pact of the 17th March, 1934,[5] and Czechoslovakia had likewise publicly bound herself to Russia in the pact of the 16th May,

[1] In somewhat similar circumstances, King Constantine of Greece had found arguments in 1915 for declining to implement the treaty obligations by which Greece had been bound to Serbia at that date.

[2] See pp. 317–18, below. [3] See pp. 395, 400–1, below. [4] See pp. 397–9, below. [5] See the *Survey for 1934*, Part III C, section (ii).

1935.[1] Finland, while officially a member of the independent Scandinavian group of states,[2] was suspected—or at any rate accused—by the Government at Moscow of lending herself to aggressive German designs against the Soviet Union.[3] These Russian aspersions upon the genuineness of Finland's alleged independence almost exactly reproduced, *mutatis mutandis*, the German accusations against Czechoslovakia, who was alleged, in the German propaganda, to be lending herself to the Soviet Union as a jumping-off ground against the Reich. The Czechs and the Finns were equally vehement in protesting their innocence and their good faith. But the very fact that they were being subjected to this malevolent propaganda had an embarrassing and prejudicial effect upon their policy and position irrespective of the question whether the charges that were being made against them were actually false or true. The three states members of the Baltic Entente[4] were in the same unhappy position; and at the close of the year it looked as though they might react to a Finnish *rapprochement* towards Germany—supposing that the Russian allegations against Finland proved to be well founded—by following Czechoslovakia's example and nestling for shelter under the Soviet Union's hospitably extended wing.

Of these seven small states which thus found themselves, deservedly or undeservedly, in the same unenviable plight, Finland might conceivably be influenced by ambitions for aggrandisement at the expense of the Soviet Union, which contained within its borders the major part of the Finnish-speaking population of the World.[5] The Karelian branch of the Finnish family was actually partitioned between the sovereign independent state of Finland and an autonomous Soviet Socialist Republic, within the framework of the Russian Socialist Federal Soviet Republic, which marched with Finland along at least half the length of the Finno-Soviet frontier. Having failed to assert a claim to Eastern Karelia by peaceful means in the forum of the League of Nations,[6] Finland might find herself tempted by a German offer—were such an offer ever to be made—to obtain for Finland a fulfilment of her ambitions in this quarter by force of German

[1] See the *Survey for 1935*, vol. i, pp. 77, 82 and *n.*, 293 *seqq.*

[2] Finland took part in the celebration of a Pan-Scandinavian 'Day of the North' on the 27th October, 1936.

[3] For the policy of Finland in 1936, see further pp. 534–6, below.

[4] For the formation of the Baltic Entente, see the *Survey for 1934*, Part III B, section (ii).

[5] In this respect Finland's relation to the Soviet Union was analogous to Turkey's; yet Turkey's attitude towards the U.S.S.R. had been as conspicuously and as consistently friendly as Finland's had been cool.

[6] See the *Survey for 1920–3*, Part II, section (ii) (2) (*e*).

arms in exchange for a right of passage across Finnish territory for German armed forces in a war between Germany and the U.S.S.R. If Finland was thus exposed to the temptation of being drawn towards Germany by ambition, Hungary and Austria had already been drawn towards Italy by the hope of recovering some of the status, and at least a fraction of the territories, which each of them had lost through the break-up in 1918 of the *ci-devant* Dual Monarchy. On the other hand, neither the hope of retrieving past losses nor the hope of making new gains was the motive that was driving Czechoslovakia, and perhaps also the Baltic states, in the direction of Russia. For, as post-war successor states of the pre-war East-European empires, these four countries had neither losses to retrieve nor unfulfilled ambitions to satisfy (save only for the Lithuanian claim to the possession of Vilna, which neither Russia nor any other Great Power was likely at this date to sponsor at the cost of making enemies of the Poles). The motive by which the Czechs and the three Baltic peoples were moved was a fear of forfeiting portions of their existing territorial possessions and possibly even losing their independence—a fear which was assuredly well founded, considering that each of these four states owed its present territorial extent, and indeed its very existence, to an extraordinarily propitious—and, by the same token, inexorably ephemeral—conjunction of circumstances which had prevailed at the moment of the peace settlement of 1919–21.

In 1936 the territories of these seven lesser states which had adopted, or were in course of adopting or were accused of adopting, a policy of clientage constituted, between them, the two chief danger-zones of Europe. At the same time, Europe was being spared the infliction of a third danger-zone by the action of Bulgaria, who eschewed the policy of clientage and ensued the alternative policy of detachment in spite of all temptations to follow the examples of Hungary and Austria by enrolling herself in the suite of Italy. At a time when Budapest and Vienna were working towards an ever closer association with Rome, and thereby widening their rift with the states members of the Little Entente, Sofia was pursuing the contrary policy of cultivating better relations with Belgrade—an endeavour which bore fruit in the conclusion of the Bulgaro-Jugoslav Pact of the 24th January, 1937.[1]

It has been observed above that these various efforts on the part of the lesser states to cope with a deterioration in their security which was being felt by all of them alike gave the measure of the weakening not only of the League of Nations but also of the two Great Powers

[1] See p. 515, below.

which had hitherto served as the twin pillars of 'the institution at Geneva'. Throughout the year 1936 both Great Britain and France were continuously retreating in face of a continuous advance on the part of both Italy and Germany; and this shift—or apparent shift—in the European balance of power to the disadvantage of the two principal European victors in the General War of 1914–18 was registered in their reaction to the successive international crises over the Italian act of aggression against Abyssinia,[1] over the German military reoccupation of the Rhineland,[2] and over the civil war in Spain[3]—apart from the indirect registration of the same disturbance of equilibrium which was recorded in the new departures, noticed above, in the policies of the lesser European states. The retreat of France and Great Britain and the advance of Italy and Germany were not, however, the only movements of Great Powers which were taking place in 1936 on the diplomatic chess-board; for in this year Russia was also on the move in a fashion of her own. In 1936 Russia was neither taking the offensive like Italy and Germany nor beating a retreat like France and Great Britain. In contrast to both the Fascist and the Democratic Powers, the Communist Power was digging herself into a diplomatic equivalent of the Maginot Line—studiously avoiding all show of aggressiveness yet at the same time pointedly indicating that she was not disposed to yield any further ground to the aggression of other Powers if these were to extend their offensive in Russia's direction.[4]

The differentiation, in 1936, between the posture of Russia and that of France can be measured to some extent (though allowance has here to be made for the play of propaganda) by the wideness of the difference between the reactions in Germany towards the Franco-Russian and Czecho-Russian Pacts of the 2nd May and 16th May, 1935, on the one hand, and the Czecho-French Pact of the 25th January, 1924, on the other.[5] Whereas the last mentioned of these three instruments had evoked only relatively mild expressions of German

[1] The history of the international transactions arising out of the Italo-Abyssinian conflict, down to the 23rd September, 1936, has been recorded in the *Survey for 1935*, vol. ii.

[2] See section (i) of Part III of the present volume.

[3] This will be dealt with in the *Survey for 1937*.

[4] The posture of Russia at this time was amusingly as well as illuminatingly portrayed in *The Times* of the 9th July, 1936, in a leading article entitled 'Enter Russia' in which it was suggested that Russia should no longer appear in the 'international bestiary' as a bear but as 'a hippopotamus, submerged save for snout and eyes'. (See also p. 633, below.)

[5] For the negotiation and conclusion of this trio of diplomatic instruments, see the *Survey for 1924*, Part II B, section (vi); and the *Survey for 1935*, vol. i, pp. 61–2 and *n.*, 65 *seqq.*, 77 *seqq.*

disapproval and animosity, the full vials of German wrath were poured out upon those two treaties, out of the three, to which Russia was a party; and while these two were professedly singled out for censure on the ground that the Soviet Union was a non-European Power, outside the pale of the Western culture, and that on this account the French and Czech parties to the two instruments were guilty of an act of treachery towards a European commonwealth of nations, it was evident that the German phobia in the face of Russia was excited not merely by an obstinate hatred of Russia's peculiar culture and régime but also by a growing disquiet in Germany at the increase in Russia's power. By the year 1936 the power of Russia was looming so large in German eyes that Czechoslovakia was coming to be regarded in German minds almost exclusively as the client of Russia rather than as the client of a France who had been the earliest patroness of the Little Entente.[1] Indeed, Nazi voices sometimes—at any rate after the inauguration of the *expérience Blum*—even went so far as to reduce France herself to a Czechoslovakian calibre by describing both the non-Russian parties to this trio of treaties in identical terms as Russia's pair of European pawns whose foreign policy was already under Moscow's control and whose treason to the European commonwealth was destined to meet with a swift and tragic punishment in the shape of an imminent triumph of Communism on the Czech and French home fronts.

In fact, by the close of the year 1936 the National-Socialist makers of German policy and opinion professed—and this apparently not altogether insincerely, so far as a foreign observer could read these German minds—to see the menacing shadow of a titanic Russia spreading over the whole of Europe from Moscow to Prague, from Prague to Paris and from Paris to Madrid, while non-German eyes were at least as acutely and uncomfortably aware of the shadow of a titanic Germany spreading as far as Seville and Melilla in one direction and as the Ukraine and the Urals in the other.[2] In the international history of 1936 this Russo-German rivalry was one of

[1] An English observer of international affairs who read this passage before it went to press suggested the following further considerations:

'The difference in the German reaction is largely explained by the fact that between 1924 and 1935 the relative status of Germany and France had fundamentally altered. An overwhelmingly strong France was but little strengthened by a Czech alliance, but to a comparatively weak France, faced by a powerful Reich, an alliance with Russia made, or might make, all the difference. The ideological factor, for what it is worth, was also a new feature.'

[2] See Herr Hitler's speech of the 12th September, 1936, which is referred to on p. 381, below.

the outstanding features; it was perhaps the driving force behind the German military reoccupation of the Rhineland on the 7th March, which was the most sensational event of the year in Western Europe;[1] and while it might not be possible to range the vicissitudes of the whole of Europe in that year under this Russo-German constellation, it was not only possible but was even almost imperative to view the history of Central and Eastern Europe from this standpoint. By the close of the year 1936 the destiny not merely of Czechoslovakia and the Baltic States but of all the successor states of the Romanov, Hohenzollern, Hapsburg and Ottoman Empires from Finland to Turkey inclusive had come to look as though it were governed by the question whether this 'Balkanized' region of Europe was to be dominated and unified and reorganized under the star of the German 'Third Reich' or under that of the Muscovite 'Third Rome'; and it was evident that either of these two already colossal Great Powers would be well on the way towards world dominion if ever it succeeded in adding to its metropolitan territory and population an effective hegemony over the vast no-man's-land which the peace settlement of 1919–21 had left derelict in the great open spaces between Moscow and Berlin.

This picture of Europe at the end of 1936 was strikingly different from the picture at the opening of the year, when East-European politics had still centred upon the tension between Germany and Italy over Austria. The relaxation of this tension after the conclusion of the German-Austrian agreement of the 11th July, 1936,[2] was quickly followed by that reorientation of East-European affairs round the tension between Germany and Russia over Czechoslovakia which governed the situation at the close of the year; and this change was not only a momentous event in the history of Eastern

[1] One of the motives that weighed most heavily with Herr Hitler in bringing him to the decision to put his fortunes to the touch in the Rhineland was perhaps a desire to make it difficult or impossible for France to come to the assistance of her Russian ally by invading Germany in the event of a Russo-German war. The reoccupation and refortification of the Rhineland would, in fact, considerably impede French intervention in any circumstances, or on behalf of any state, in Eastern Europe, and would thereby bring the neutralization of Western Europe nearer to realization *de facto*, whatever the ultimate fate of Germany's diplomatic endeavours to sever the bonds of collective security between Western and Eastern Europe *de jure*. On this view, the German *coup* of the 7th March, 1936, in the Rhineland might be interpreted—in East-European rather than in West-European terms—as a covering movement which was to prepare the way for a duel between an unhampered Germany and an unsupported Russia for the hegemony over the Central and East European countries lying between them. (See Part III, section (i) (*b*), below, especially pp. 261–2.)

[2] See pp. 450 *seqq.*, below.

Europe; it also gave a measure of the European price which Italy was finding herself constrained to pay for having extorted a satisfaction of her colonial ambitions in Africa. In Africa, according to Signor Mussolini's explicit statement in a speech delivered at Littoria on the 18th December, 1936, Italy's account had now been settled down to the last centesimo. Italy now felt herself to be one of the colonially 'sated' Powers in the same compartment as Great Britain and France and Belgium and the Netherlands; but by the same token she seemed to be approximating to the position of the West-European Powers in the further respect of apparently falling behind in the race for the mastery of Europe. This European *Machtfrage* might still be formulated by an Italian or a French publicist as the question whether Europe was to rally round the axis Rome–Berlin or round the transverse axis Paris–Moscow. A British observer, however, might wonder, at the close of the year, whether either Germany's Italian partner or Russia's French partner would find much room for herself on the court side by side with the more powerful and energetic player with whom she had linked her fortunes. A power-game which had been started as 'doubles' might turn into 'singles' before it was played to its finish. And, when the victory had been won, the victor's brilliant second—a Germany's Italy or a Russia's France—might see herself practically reduced to much the same state of subordination as the Austrias and the Czechoslovakias.

On this close (and therefore possibly ephemeral) view the year 1936 might appear to be marked by a progressive differentiation of the relative strengths of the European Powers on a scale which gradually descended in a geographical order as the observer's eye travelled across the breadth of the Continent from east to west. To all appearance, Russia and Germany were now rising head and shoulders above all their neighbours; Italy was beginning to fall below Germany though she was still rising above France; and the stars of France and Great Britain were dipping lower than those of any other Great Powers in the European firmament. At the time of writing, early in the year 1937, it was extremely difficult to judge whether these appearances corresponded or conflicted with the facts.[1]

[1] Between the moment when this chapter was first drafted at the end of January 1937 and the moment when it was revised in the middle of April there had been symptoms of a turn of the tide in favour of Great Britain and France and to the disadvantage of Germany and Italy; but it was impossible to foresee how the situation was likely to appear by the date of publication. An English student of international affairs who travelled in Central and Eastern Europe in the summer of 1936 made the following comment on this

It was an indubitable fact that Italy and Germany were on the war-path, whereas France and Great Britain were standing on the defensive. In East Africa, the Rhineland and Spain, the two Fascist Powers plunged into successive risky adventures, while the Democratic Powers refrained from going into action either to vindicate the Covenant of the League or to protect their own national interests in the narrower sense. In the British case this passivity might perhaps not mean so much, since it was demonstrated by the course of events that the enthusiasm in Great Britain for the Covenant was not either so widespread or so deep-seated in 1936 as to move the British people to go to war in support of this cause,[1] and it might be surmised that the technical advisers of the Government of the United Kingdom did not fear any serious prejudice to local British interests in the Red Sea or on the Blue Nile in the Italian conquest of Abyssinia,[2] or espy any immediate menace to the British naval command of the Straits of Gibraltar in the Italo-German championship of the cause of General Franco. It was more remarkable to see Monsieur Flandin's Government in France refrain from making any forcible retort to Herr Hitler's military reoccupation of the Rhineland, and Monsieur Blum's Government join with Mr. Baldwin's Government in pursuing a policy of non-intervention in a Spanish civil war in which France was threatened with encirclement in the event of the Spanish insurgents emerging victorious thanks to the prowess of their Italian and German backers. The policy of France in these two crises offered impressive evidence of the strength of the French desire to keep the peace; and indeed it would have been difficult to say which of the two West-European Powers was the more pacific minded at the time. At any rate, they each took it in turns to pull the other back by the coat-tails whenever either of them showed signs of being under any temptation to react vigorously to an Italian or a German act of provocation. French diplomatic pressure was largely responsible for Great Britain's failure to take any effective action for putting a stop to Italy's aggression against Abyssinia;[3] and, conversely, British diplomatic pressure co-operated with French pacific-mindedness in holding back Monsieur Flandin's Government in March 1936 and Monsieur Blum's Government in the July of the same year.

Moreover, both France and Great Britain in this year were alike

passage: 'Even so, it seemed to me last year in Europe that the potential influence of Great Britain ranked astonishingly high; the complaint was that she would not use it.'

[1] See the *Survey for 1935*, vol. ii, pp. 448-55.

[2] See *op. cit.*, pp. 42–4, 144 *n.*

[3] See *op. cit.*, pp. 70 *seqq.*, 183 *seqq.*, 264 *seqq.*, 277 *seqq.*, 334 *seqq.*

betraying a strong desire to withdraw into an isolation of the traditional insular British kind in their own Western corner of Europe. This common Franco-British impulse was remarkable at a moment when even Great Britain was rapidly forfeiting her age-long physical insularity in consequence of the invention of flying; and it was an altogether new departure in the policy of France, whose national tradition, in contrast to that of England, had been continental and European, not insular or transmarine. It is true that France was not yet prepared to travel the whole length of this English road. In 1936 France was not only holding on as tightly as she could to all her existing continental European connexions; on the 12th March she took the momentous additional step of ratifying the Franco-Russian Pact of the 2nd May, 1935;[1] and the British Government, on their side, were still treating these East-European French commitments with consideration. As has been mentioned in another context,[2] the Law Officers of the British Crown had rendered the opinion that the Franco-Russian Pact was not inconsistent with the Pact of Locarno; and, in working for a West-European settlement between the Locarno Powers, the British Government were careful to maintain the thesis—which was as agreeable to the French as it was unpalatable to the Germans—that any such settlement in the West could only be negotiated as a contribution to, and an integral part of, a general European settlement from which the Soviet Union was not to be excluded. It was, nevertheless, noteworthy that the French should show themselves willing, even on this understanding, to enter into regional negotiations for a West-European settlement in the first instance, and the Germans did not conceal their hope that such a Western settlement might actually be arrived at without being subsequently encumbered with any awkward East-European supplement. The Germans looked forward to seeing France gently led by Great Britain into a joint Franco-British policy of neutrality of the kind to which Switzerland had always clung and towards which Belgium seemed now to be reverting.[3] And if and when the two Western Powers reached this point in their retreat, Germany and Italy would have gained a free hand in Central and Eastern Europe for further adventures in aggression and aggrandizement.

These facts, which were indisputable as far as they went, constituted the pith of the evidence on which many observers in 1936 were coming to the conclusion that they were witnessing a rapidly moving

[1] See p. 256, below.
[2] See the *Survey for 1935*, vol. i, p. 88 and footnote 2.
[3] See p. 4, above, and Part III, section (i) (*j*).

and far reaching shift of the balance of power to the Western Powers' disadvantage and in the Central Powers' favour. At first sight, this interpretation of the facts was specious, but on second thoughts a student of international affairs might be rather inclined to suspend judgment. On the one hand, the aggressiveness of the two Central Powers was not proved to be a sign of strength by the mere fact that it achieved its immediate object time and again. A Government which felt itself constrained to divert its subjects' minds twice a year by striking some sensational stroke on the international arena might indeed be suspected of being less sure of its position at home than a Government which was able to remain in office without having perpetually to resort to alarums and excursions; and this suspicion was supported by the evidence of history; for the methods of Mussolini and Hitler were those of Louis Napoleon; and in France the Second Empire had turned out, when the storm broke, to be a house built on the sands. Conversely, the reluctance to fight which was displayed in both England and France at this time was not necessarily—or at any rate not necessarily nothing but—a sign of a loss of nerve. It might also be due, at least in part, to a sincere will to peace; and on that hypothesis it could not be assumed in advance that, if, after all, it did once again come to a war between the Western and the Central European Powers, the French and British would acquit themselves any less well than their Italian and German antagonists. In courage and endurance the two great nations of Western Europe had been second to none in the War of 1914–18; and if, in spite of all their present efforts to keep the peace, they were to be forced to turn at bay, it was not impossible that they might fight this time with a demonic energy that would put out of countenance the whipped-up enthusiasm of the dictators' cannon-fodder. In the war of 1914–18 the autocratic states had eventually fared the worst, though, on this earlier occasion likewise, it was precisely they who had shown the most stomach for the fight during the last years of peace.

Such considerations as these might incline a cautious observer to suspend judgment in regard to the underlying facts and to content himself for the moment with the observation that, on the European stage in 1936, Germany and Italy were making the greatest commotion, and Germany and Russia the greatest superficial display of strength.

As far as 'the Third Reich' and the Soviet Union were concerned, their nakedly political rivalry as Great Powers was capped and heightened by their 'ideological' conflict as the respective champions of the two creeds of National Socialism and Communism. Each of

these creeds purported to be a law for men to live by not only on the political but on every plane of life, while at the same time each of them was eagerly proclaimed by its exponents to be the absolute antithesis of the other. 'The Third Reich' represented itself as being the champion of Humanity against Communism in virtue of its own self-dedication to National Socialism; the Soviet Union as being the champion of Humanity against Fascism[1] in virtue of its own self-dedication to Communism. In the German camp, the 'ideology' of the principal Power was avowedly professed by the second as well (though the Italians took pains to point out that their own Fascism was by no means identical with German National Socialism in detail, in spite of the affinity between the two systems in principle). In the Russian camp, the Soviet Union was more awkwardly yoked with a Liberal French helpmate; and the hope (which was cherished with perhaps equal fervour, though for very different reasons, in both Russia and Germany) that the present clash of 'ideological' colours in the Russian camp would soon be eliminated by a triumph of Communism in France had not come any nearer towards fulfilment by the end of the year. Indeed, in the course of this year 1936, it was the Communist partner in the Franco-Russian Pact who made a show of concession to the 'ideology' of her Liberal ally by adopting, on paper, a new Constitution of the old-fashioned parliamentary democratic pattern.[2] On the other hand, there was no contemporaneous corresponding move in France in the direction of introducing a Soviet régime.[3] At the end of the year 1936 France was still living under the Constitution of 1875; Monsieur Blum was still not only in office but in power; and the Communist wing of the Front Populaire was still as patently unready as the Fascist wing of the Opposition to bring the *expérience Blum* to a close.

Thus, at the end of 1936, a unity of 'ideological' front was not yet to be found in either the Russian or the German camp, even as between the principal Power and the second. There was a perceptible

[1] In the broader usage of the term in which it covered both Italian Fascism and German National Socialism.

[2] See p. 376, below.

[3] It was alleged (though, in the nature of the case, this allegation was incapable of being verified) that Herr Hitler—or at any rate his Nazi advisers of the more radical persuasion—had been confidently counting upon seeing France paralysed by a Communist revolutionary outbreak in the autumn of 1936. There was even a story that, on the strength of this expectation, a German assault upon Czechoslovakia had been timed for delivery in November, and that this programme of aggression had been countermanded only when it became evident that, after all, France was not going to play her allotted part of putting herself out of action.

nuance of difference between Italian Fascism and German National Socialism, and a world of difference between Monsieur Blum's administration and Monsieur Stalin's dictatorship. Nevertheless, the Propaganda Ministries at Berlin and Moscow, in their competitive appeals to foreign public opinion, each continued to make play with the 'ideological' conflict between Fascism and Communism as a justification for its own Government's foreign policy and as a proof that this policy was entitled to receive support from all reputable Governments and *bien pensants* men and women in the world of the day. And after the conclusion of the German-Austrian agreement and the outbreak of the Spanish civil war the Propaganda Ministry at Rome began to reveal a tendency to take the same line[1]—though this with less appearance of zest than was displayed in the propaganda that flowed from a German or from a Russian fountain-head.

These two competing propaganda campaigns were perhaps the most prominent features in the international history of the year 1936; and this competition of 'ideologies' gave a new complexion to the international situation; for, during the earlier post-war years, the Communist propaganda had enjoyed a virtual monopoly in this field. In those days the World Revolution was acknowledged by the apostles of Communism to be the ultimate aim of their movement; and the Communist International, whose mission was to bring the World Revolution about, was the supreme organ of the Communist faith—an organ to which it was regarded as an honour for the Soviet Government to minister as a subordinate instrument.[2] By contrast, the Fascist movement in Italy and the National Socialist movement in Germany, while taking credit to themselves for having exorcised the demon of Communism from their own respective countries, took further credit, in their early days, for being the antithesis of Communism not only in their 'ideological' content but also in the fact that, like Anti-Clericalism in France, they were 'not for export'.[3]

[1] In this connexion, there was some significance in the hostile reference to Communism in Signor Mussolini's speech of the 1st November, 1936, at Milan (see pp. 365, 386, below).

[2] See the *Survey for 1924*, Part I C, sections (i) and (ii); the *Survey for 1927*, Part II E, section (i); and the *Survey for 1934*, Part III B, section (i) (*a*).

[3] This assertion was made by Herr Hitler at as late a date as the 14th September, 1936, in his closing speech at the National-Socialist Party Rally at Nuremberg:

> The National-Socialist state has been founded, and is being led, in the spirit of a *Weltanschauung* which rules out any interest in a political export trade. . . . National Socialism is the most precious of our German patents, and we are therefore, as National Socialists, fighters on behalf of this doctrine (*Lehre*) among our own people, but we are not missionaries of our political opinions in foreign parts.

Fascism and National Socialism were, their exponents declared, the indispensable and efficacious local Italian and German preventives against a Communist plague which was infecting the whole World; but at this stage MM. Mussolini and Hitler appeared to disinterest themselves from the question whether or not it might prove opportune or inevitable for other nations to adopt the same precautionary measures against the same disease. This difference of attitude on the vexed question of propaganda had, in fact, been widely held to be one of the conspicuous original distinctions between the respective professors of the two post-war 'ideologies'. As early as 1930, however, Signor Mussolini had begun to sound a different note;[1] and by the end of the year 1936 the respective policies of the two Fascist Powers, on the one hand, and of the Soviet Union, on the other hand, in this matter of 'ideological' propaganda abroad had ceased to display the contrast which had formerly been dwelt upon by the apologists of Fascism *in partibus democraticorum*. For while the Russian Communist propaganda abroad had become at any rate more discreet, a Fascist Italy and a National-Socialist Germany had now openly embarked on foreign propaganda campaigns[2] on the Russian Communist pattern.[3]

At the end of 1936, when Trotsky was paying in exile for his con-

[1] See the *Survey for 1930*, p. 21.

[2] The change in Italian policy was pointed out by Monsieur Litvinov on the 28th November, 1936, in a speech delivered at Moscow at an extraordinary session of the Congress of Soviets:

> There was a time when M. Mussolini, the founder of Fascism, declared that Fascism is not an article of export. In justice to M. Mussolini it must be said that throughout many years he kept to this statement and a struggle for the spread of Fascism beyond the boundaries of Italy did not constitute an element of his foreign policy; but this lasted only as long as the Fascism of M. Mussolini had not passed through a course of improvement in Berlin . . . and had not been impregnated by the theories of so-called National Socialism. In contradistinction to the Italian Fascism, German National Socialism, as soon as it established itself within its own country, extended its activity beyond its borders as well.

[3] A signal example of this new line of Italian propaganda was the broadcasting in Arabic from the station at Bari in which a Fascist Italy was represented as the friend of the Arab World and a Liberal England as one of the main obstacles to the fulfilment of Arab aspirations. On the 10th March, 1937, when Signor Mussolini was on the eve of leaving Italy in order to make his first state progress through the Italian colony of Libya since 1926 (see the *Survey for 1927*, pp. 117–18), he was described as the 'Protector of Islam' in a proclamation which was issued by Marshal Balbo to the Arab population of Libya. This was a leaf out of the book of the Emperor William II of Germany. In his famous speech at Damascus on the 8th November, 1898, the Emperor said: 'Let the Sultan and the three hundred millions of Muhammadans throughout the World who honour him as their Caliph rest assured that at all times the German Emperor will be their friend.'

stancy to the original Communist ideal of 'World Revolution', while the contrary policy of 'Socialism in One Country'[1] had been certified to be the orthodox Communist Faith by a Stalin who was now enthroned as the unchallenged autocrat of the Kremlin, MM. Hitler and Mussolini were giving warning that they were not inclined to tolerate the establishment of a Communist régime in any European country.[2] They were putting this policy into effect, in the one European country where it was a question of practical politics at the time, by supplying arms and men to the Spanish insurgent General Franco.[3] And one of the sensational international events of the year was the flamboyant announcement on the 25th November that a pact for combating Communism all over the World had been concluded between Germany and Japan.[4] These new German and Italian utterances, gestures and acts were hardly compatible with the previous Hitlerian and Mussolinian parade of non-interference in the internal affairs of foreign countries. On the other hand, the victory of Stalin over Trotsky in Russia was not followed—at any rate, not *de facto*—by the change of policy which logic demanded. Logically, a head of the Soviet state who had fought and won a battle on the home front on the platform of 'Socialism in One Country' ought to have adopted abroad the policy of non-interference which the rulers of Germany and Italy were now discarding. In fact, however, in the test case of the Spanish civil war Monsieur Stalin's Government intervened with an energy with which Trotsky himself could hardly have found fault; and while it might be difficult to discover whether it was the Russians or the Germans and Italians who had been the first offenders in Spain, or whether it was this Power or that which had furnished its Spanish *protégés* with the more generous supplies of arms and men, it became more and more plain, as the struggle in Spain dragged on, that, in the matter of interference in other countries' affairs, the policies of the Soviet Union, on the one hand, and of Germany and Italy, on the other hand, had now converged to a degree at which they had ceased to be distinguishable.

A place intermediate between gestures like the signature of the Anti-Communist Pact and military intervention as it was being practised in Spain—by the Russians, as well as by the Germans and the Italians—was occupied by propaganda in the technical sense of

[1] See the *Survey for 1927*, Part II B, section (i), and the *Survey for 1934*, Part III B, section (i) (*a*).

[2] i.e. in any European country west of the Soviet Union; for the Soviet Union was not admitted by Herr Hitler to be entitled to rank as a European Power.

[3] The civil war in Spain will be dealt with in the *Survey for 1937*.

[4] See pp. 384 *seqq.*, below.

the term; and here the Russian activities were actually less conspicuous than the German in 1936. In the words of Dr. Goebbels, speaking on the 4th February, 1937, at Hamburg:

> Moscow is not the only one to make propaganda. We also spin our threads.

In the year 1936 the Communist International was under eclipse for several reasons: partly because its task of promoting World-Revolution was less in consonance with the policy of the triumphant Stalin than with that of the discomfited Trotsky; partly because the Communist International had become a house divided against itself on the lines of the schism within the bosom of the All-Union Communist Party (a party which had formerly been the driving force in the Comintern as well as in the U.S.S.R.);[1] and partly because the dominant aim of Stalin's foreign policy was not the propagation of Communism abroad but the formation of an anti-Fascist front between the Soviet Union and the non-Fascist Powers of the Capitalist World. For the pursuit of this policy, the appropriate manœuvre abroad was to promote, in any country with which the Soviet Union desired to co-operate, the establishment of a 'popular front' between the local Communist party, on the one hand, and the local Socialist and Liberal parties on the other. To have continued to encourage the local Communist parties abroad to co-operate with the All-Union Communist Party for the avowed purpose of waging an offensive warfare against all the non-Communist parties abroad without discrimination would merely have frustrated, instead of promoting, the foreign policy which the Soviet Government had now adopted. For all of these several reasons the Communist International was now at a discount at Moscow, whereas a world-wide Nazi propaganda-machine which bore a distinct resemblance to that of the Comintern was now being actively developed by the National-Socialist masters of 'the Third Reich'.

This Nazi German organization beyond the post-war frontiers of Germany bore with different degrees of pressure upon different circles. Its hold was perhaps greatest upon Reichsdeutsch nationals resident abroad;[2] next greatest upon *ci-devant* Reichsdeutscher of German speech and nationality who had been placed outside the

[1] See the *Survey for 1924*, pp. 167 *seqq.*

[2] On the 2nd February, 1937, it was announced in Berlin that the National-Socialist Party organization for directing the activities of Reichsdeutsch nationals resident abroad was to be incorporated into the Ministry of Foreign Affairs. For the previous arrangements see *The Manchester Guardian*, 25th February, 1936, and *Le Journal des Nations*, 20th August, 1936.

frontiers of the Reich by the Peace Treaty of Versailles and had opted for the citizenship of a successor state in preference to leaving their homes and forfeiting their livelihood, but this without having ceased to cherish their pre-war allegiance in their hearts; and next greatest upon German-speaking populations which had never been included within the frontiers either of the Third Reich or of the Second, but which had also never acquired, like the German-speaking Swiss, a distinct national consciousness of their own. In 1936 the hold of Nazidom on the first of these three circles was particularly evident in Spain, the hold on the second in Danzig and Memel,[1] and the hold on the third in the Bohemian Sudetenland, which had been inherited by Czechoslovakia from the Danubian Hapsburg Monarchy.[2] There was even an outermost circle of non-German-speaking foreigners who were attracted to some extent by the Nazi propaganda from Berlin either because they were convinced of the existence of some common interest between their own countries and Germany or because they were afraid of a Communist offensive on their own home front and calculated that they would be better able to resist it if they could count upon Nazi support. In both Hungary and Rumania, for example, apart from the National-Socialist proclivities of the German minority in the country, there was a Fascist movement, recruited from the dominant nation in the state, which was looking towards Berlin and was working to secure that the country should take the German side in the event of another European war.[3] In Greece, again, General Metaxas made some show of giving a Fascist, or, at any rate, a corporative tinge to the dictatorship which he established on the night of the 4th–5th August, and he also made no secret of his personal sympathy for Germany.

Thus in 1936 the German and the Russian propaganda organizations[4] or the Fascist and the Communist 'ideologies'—whichever of

[1] See the *Survey for 1935*, vol. i, Part I, section (vii) (*b*) and (*c*) and (for the situation in Danzig) the present volume, Part III, section (vi).

[2] See the present volume, Part III, section (iv) (*b*) (3).

[3] For the Magyar Nazi movement in Hungary, see further Part III, section (iv) (*a*) (5), pp. 459–60, below. The Ruman 'Iron Guard' Movement in Rumania was a semi-terrorist organization which both reflected and pandered to a spirit of savage exasperation which was aflame among an ever-growing Ruman intellectual proletariat. Though the Ruman Fascists were hostile not only to the Jews but to all the minorities in Rumania—not excluding the Germans—on the ground that these were aliens usurping jobs which ought to be in Ruman hands, they were ideologically sympathetic towards 'the Third Reich'. Another of the Ruman Fascist groups was the National Christian Party; and in August 1936 one of the leaders of this party, Monsieur Goga, had an audience with Herr Hitler in Berlin.

[4] Some account of the Russian propaganda organization at an earlier stage

these alternative terms might more aptly describe the phenomenon —were radiating out beyond the frontiers of the Fascist and Communist Powers into an arena of competition which extended over the whole face of the World. What was the present significance and the probable future outcome of these formidable competitive activities? The rival propagandists each told the World that their own camp was the only secure refuge from the tyranny of their opponents;[1] and both parties declared with one confident and jubilant voice that Communism and Fascism were destined to divide between them the totalitarian allegiance of the whole of Mankind.[2] This Fascist-Com-

has been given in the *Survey for 1924*, pp. 184–228. For the German propaganda organization in 1936, see further the additional note at the end of the present chapter.

[1] A classic enunciation of this thesis is to be found in the following statement which was made on the 26th October, 1936, by Herr von Ribbentrop at Victoria Station, Westminster, upon his arrival in London to take up his duties as German Ambassador to the Court of St. James's:

> The Führer [said the new Ambassador] is convinced that there is only one real danger to Europe and to the British Empire as well; that is, the spreading further of Communism, the most terrible of all diseases—terrible because people generally seem to realize its danger only when it is too late. A closer collaboration in this sense between our two countries is not only important but a vital necessity in the common struggle for the upholding of our civilization and our culture.

[2] This was the main thesis of Herr Hitler's speech of the 14th September, 1936, at the National-Socialist Party Rally at Nuremberg:

> These are only some of the things which divide us from Communism. I admit that they cannot be bridged over. Here we actually have two different worlds which can move farther away from each other but which can never be brought together. When, in an English newspaper, a supporter of parliamentary government complains that we want to divide Europe into two parts, I am afraid that we shall have to break the unpleasant news to this Robinson Crusoe on his happy British island that this division has already been made. Not only so, but all those states which have not sought and made a definite decision for one side or the other are inwardly divided against themselves. If people will not see a thing, that does not mean that it is not there. For years I was laughed at in Germany for my prophecies, for years my warnings and predictions were put down as morbid hallucinations by those good citizens who had nothing to do with Bolshevists in their own affairs and who therefore stoutly refused to believe that such a danger existed. As people with bourgeois minds like that had, quite naturally, not the least tendency to be Communists themselves, they refused to think that other people were capable of such frightful possibilities. But when the danger could no longer be overlooked, they only buried their heads still further in the sand. People who can neither see lightning nor hear thunder can, to a certain extent, calm down their own fears of the storm. And when the lightning is so blinding and the thunder is so loud that even these bourgeois in their night-caps can have no more doubt that a storm is coming, they just take refuge in the hope that the bursting of the storm may not be hastened by any reckless provocation. . . . We believe that, sooner or later, no nation, whatever its bourgeois reasonableness and political wisdom, will be spared from making a last clear decision.

munist thesis was contested by politicians in the parliamentary democratic countries, who declared in public speeches[1] that they had no use for either of the two rival 'ideologies' at home and had also no intention of leading their countrymen into any foreign adventure in order to help either Fascism or Communism to advance a step nearer towards realizing their ambition of partitioning the World between them. In quieter accents, the spokesmen of the theistic religions, within as well as beyond the frontiers of the totalitarian states, were reminding all true believers that their loyalty to the One True God was not compatible with a totalitarian allegiance to the idols which

> For it is not our fault if Europe is divided into two parts; it is Bolshevism that has attacked the principles of our whole human system of the state and of society, our culture, our beliefs, our morality, and that has called all these principles in question. If this Bolshevism only fostered its doctrines in one single country, other countries would not need to trouble about it. But the first principle of this doctrine is its internationalism: that is to say, the belief that it must triumph throughout the whole World, which means turning the World as we know it upside down. The fact that a British leader writer will not admit this, means just about as much as if a humanist living in Vienna in the fifteenth century had simply denied that Islam intended to spread over Europe and had hinted that any one who asserted such a thing was dividing the World into two parts, the East and the West. I am sorry to say that I cannot help feeling that most of those who doubt that Bolshevism is a danger to the World come from the East themselves. English politicians have not yet become acquainted with Communism in their own land, but we have. Since it was I myself who fought, routed and extirpated this Jewish-Sovietic world of ideas in Germany, I imagine that I understand the nature of this phenomenon better than people to whom it has only been a matter of literature.

[1] For instance the Czechoslovak Foreign Minister, Dr. Krofta, declared in the course of the statement on foreign policy which he made on the 22nd October, 1936, that Czechoslovakia had never attempted to interfere with the internal political régime of any country in the past; that she had at that time no intention of joining any anti-Fascist or anti-Bolshevist front; and that she was strongly opposed to the formation of such fronts and to the very idea of ideological wars.

Towards the end of that year, these sentiments were echoed by Herr Sandler, the Foreign Minister of Sweden, in the following words:

> Nothing is more dangerous than to create the impression that a world struggle between two extremist ideologies is imminent. By so doing we leave no room for democracy and force ourselves to choose between brutalities of different colours.

Mr. Eden made use of similar arguments in speeches which he delivered at the Cutler's Feast, Sheffield, on the 14th October, 1936, to the Foreign Press Association on the 12th January, 1937, and in the House of Commons at Westminster on the 19th of the same month. On the second of these occasions he laid stress on the fact that—

> We repudiate any division of Europe into the supporters of rival ideologies. Not only would the widespread acceptance of such a fatalistic doctrine be highly dangerous to peace, but in our judgment it does not correspond to realities. Human nature is far too rich and too diversified to be hemmed in within such limitations.

the Fascist and Communist authorities required their subjects to worship.[1]

Were Communism and Fascism really as potent and as portentous as they claimed to be? Or were the spokesman of Theism and Liberalism right in their consensus that these two post-war 'ideologies' were a pair of ephemeral movements which reflected nothing deeper than a temporary malaise in the constitution of Christendom, and which were destined to shrivel up, as suddenly as they had blossomed out, without leaving any enduring mark upon history?

The advocates of the Fascist-Communist thesis were in a position to present an impressive case. They could begin by suggesting that the dispensation which was truly ephemeral was the prosaic Liberal régime which had prevailed, first in Western Christendom and latterly in almost every province of a Westernized World, from the close of the Wars of Religion down to the outbreak of the General War of 1914–18. How could Mankind be expected to live for ever on such uninspiring watchwords as 'Pas trop de zèle', 'Above all, no enthusiasm', and 'Enlightened self-interest'? By deed as well as by word, the Lenins and Mussolinis and Hitlers were preaching to their contemporaries an anti-Liberal ideal which sounded some of the notes of the theistic religions. The common gospel of Communism and Fascism was that, after a spell of unfruitful and ignoble sloth, Man was now at last waking up again to his true nature, which was to live dangerously for mighty ends that transcended the life of the individual. And a convert to this post-war pagan faith might perhaps persuade himself that the stirring times which had sunk into torpor towards the close of the seventeenth century of the Christian Era were now returning, and that the new 'ideologies' which were the harbingers of this inspiring revolution in human affairs were destined to carry all before them.

The feud between Fascism and Communism in the twentieth century, like the schism between Protestantism and Catholicism in the sixteenth and seventeenth centuries, was manifestly having the effect of breaking old associations, cutting across the lines of division between nations, and pushing its way into new worlds. Portugal, once adequately labelled as 'England's oldest ally', was now ranging herself at the side of Germany and Italy because she was a Fascist country whose first concern was to prevent the triumph of Com-

[1] 'Whoever detaches race or the nation or the state or the form of state or the Government from the temporal scale of values and raises them to be the supreme model and deifies them with idolatrous worship, falsifies the divinely created order of things.' (Papal Encyclical of the 14th March, 1937, addressed primarily to the German Episcopate.)

munism in Spain—even at the risk of placing herself in the hands of 'have-not' Powers who might have cast covetous eyes upon the Portuguese colonies if such sordid considerations had not been transcended by devotion to a common Fascist cause. The Conservative elements in France and Great Britain were hankering after a victory for Franco's arms—which might mean the encirclement of France between Germany and a Germanophil Spain, and the transfer of the naval command of the Straits of Gibraltar from British to Italian hands—because these elements in France and Great Britain were less keenly alive to the bearing of the struggle in Spain upon their own countries' national interests than they were instinctively sympathetic to a Spanish Conservative leader who—as they saw it—was striving to snatch Spain out of the clutches of 'the Reds'. And outside the narrow bounds of Europe the two new 'ideologies' were spreading into the Americas in the one direction and into Africa and Asia in the other. In the Americas Communism was now gaining ground in Mexico, while movements of a Fascist complexion were making headway in Quebec and Brazil and Bolivia and Paraguay and Uruguay and Chile. In the Arab World a triplex blend of Fascism—anti-French, anti-British and anti-Jewish—was running like wildfire across North Africa and South-West Asia from Morocco and Algeria and Tunisia through Egypt and Palestine and Syria to 'Irāq. And in the far interior of China a Chinese version of Communism was proving strong enough in 1936 to tilt the balance of Chinese political forces and to set Chang Hsüeh-liang and Chiang Kai-shek by the ears.[1] Even in the East End of London, which was spiritually almost as remote as were the loesslands of Shensi from the 'ideological' storm-centres of the Eurasian Continent, the breath of the Fascist and Communist blasts was making itself felt in sufficient strength to fan a dormant spark of ill will between Gentiles and Jews into a flame that flickered up into some ugly disturbances of the peace.[2] Was all this not sufficient evidence that the Fascist-Communist flood was rapidly prevailing over the face of the whole Earth?

Impressive though this picture of the World's destiny might be, a critical observer might still find some significant gaps in it. The most telling point in the Fascist-Communist case was the exposure of the weakness of the pedestrian form of paganism which had been in the ascendant in the Western World for the past two hundred and fifty years. It might possibly be true that this prosaic philosophy

[1] See the present volume, Part VII, section (ii).
[2] See the additional note at the end of the present chapter.

was now destined to be supplanted by another kind of paganism with a high-falutin' gait. But the negative paganism which had arisen in the seventeenth century, and which was now perhaps to subside in the twentieth, was not, after all, the original spirit of the Western Society. This negative paganism had been preceded by a positive Christianity which had been pushed into the background without ever being driven off the stage. And this still surviving Christianity might not give way so easily to the new 'ideologies' as Liberalism had been giving way so far.

To this caveat it might be replied, no doubt, that under a Communist dispensation in the Soviet Union Christianity of all denominations as well as every other form of theistic religion—Judaism, Islam and the Mahāyāna[1]—was being deliberately eradicated; and that in 1936 the prospect that Catholicism might suffer the same fate in a Communist Spain was driving the Catholic Church throughout the World into a *union sacrée* with General Franco's backers and, by implication, with Fascism itself. Was not this recent history of Christianity a convincing piece of evidence in support of the thesis that there was really no room in the world of the day for any force which was unwilling to gravitate towards one or other of the two post-war 'ideologies'? This was a thesis which might perhaps commend itself at first sight to an observer whose attention was turned towards the Catholic Church and was concentrated upon the Catholic attitude in, and in regard to, Italy and Spain. The history of the relations between the Catholic Church and the Fascist State in Italy since the conclusion of the Lateran Agreements of the 11th February, 1929,[2] might appear to afford some evidence that, after all, it was not impossible to serve both these two masters simultaneously. The attitude of Catholics in Spain (apart from the Basque country), and in other provinces of the Catholic World, towards General Franco and the two Fascist Powers who had constituted themselves his patrons might seem to show that Catholicism was ready to make common cause with the Fascist variety of Neo-Paganism as soon as it found itself fighting for its existence against the Communist variety of the same non-Christian faith. Yet in 1936 it would have been rash indeed to prophesy that Catholicism was destined to be drawn into the Fascist movement's wake. For it remained to be seen whether the outwardly harmonious relation between Church and State in

[1] The Mahayanian form of Buddhism which was practised by the Calmucks and the Buriats was a theistic religion in effect, though in theory it was, like the Marxian ideology, an atheistic philosophy.

[2] See the *Survey for 1929*, Part V, section (i) (*c*), and the *Survey for 1935*, vol. ii, section (ii) (*i*).

Italy at this moment was anything more durable than a *modus vivendi* or more substantial than a *tour de force* of the Romagnol dictator's political finesse. And even if in a latter-day Roman Empire Signor Mussolini were to succeed as brilliantly as a Constantine or a Theodosius the Great in binding the Cross of Christ into the lictor's bundle of rods alongside of the executioner's axe, it remained to be seen whether in Germany the arms of the Cross could be bent into the hooks of a Swastika without a complete apostasy from the spirit of the Crucifix.

In 1936 many Spanish Catholics must have been torn between relief and anxiety when—with some notion of how their religion was being treated in 'the Third Reich'—they saw 'the Blond Moors' rushing in to fight in Spain for a cause which in Spanish eyes might be primarily Christian but which in German eyes was primarily Fascist.[1] And there was another hard-pressed Catholic country in Europe in which the contradiction between Catholicism and National Socialism was more clearly visible than it was in Spain. This other country was Austria; and, as a German-speaking and German-feeling people who were next-door neighbours to the Reich and who had been exposed to the full blast of the Nazi propaganda, the Austrians might claim to know most of what there was to be known about the true relation between the Cross and the Swastika. In view of this Austrian acquaintance with National Socialism at first hand, it was significant that, in spite of the political armistice which Austria had made with the Reich on the 11th July, 1936, and in spite of her less precarious entente with Italy, the Austrian Government, who were specifically Catholic in complexion, did not adhere to the German-Japanese Anti-Communist Pact of the 25th November. Moreover, in commenting on the pact, the Austrian Catholic press declared that there was no serious Communist movement in Austria and that it would be an unwarrantable flourish of propaganda to assert that there was any Communist menace to Austria's domestic peace. Thus in Austrian eyes in 1936 it was not the manifest destiny of the Catholic Church to pass under a Fascist protectorate; and no doubt it was the persecution of Catholicism in Nazi Germany that was decisive in

[1] Herr Hitler's policy of repressing Catholicism in Germany and supporting it in Spain was significantly analogous to Cardinal Richelieu's policy of repressing Protestantism in France and supporting it in Germany. The superficial inconsistency had the same explanation in the two cases. In both cases the statesman was thinking of Religion in terms of Politics and was taking what he believed to be the appropriate measures for increasing, at home and abroad, the power of the state which he had made it his business to administer.

determining the Austrian outlook. Yet the conflict between National Socialism and Catholicism was perhaps not so significant for the ultimate *Auseinandersetzung* between the Fascist 'ideology' and Christianity as was the parallel conflict in Germany between National Socialism and Lutheranism. The Lutheran Church in Germany had been notorious, ever since its foundation some four centuries back, for a pliancy towards states which had sometimes almost wilted into subservience. When, in and after A.D. 1933, a nucleus of the Lutheran community in 'the Third Reich' turned at bay and showed the courage to oppose the will of a Government which was much more formidable than any with which the German Lutherans had ever before had to deal, this was assuredly a sign that there was something in the Fascist variety of Neo-Paganism which was fundamentally incompatible with Christianity, and also something in Christianity that might prove invincible—for the second time in history—now that the Church was confronted by modern counterparts of the ancient Caesars.

In fact, there was no cogent evidence in A.D. 1936 that Christianity was doomed to be eliminated or even subjugated by the pair of post-war 'ideologies'. It was not even proven that Liberalism (in the broader 'ideological' sense which would embrace the *Weltanschauungen* of Mr. Baldwin and Monsieur Blum as well as those of Sir Archibald Sinclair and Monsieur Herriot and President Roosevelt) was destined to be driven off the field. For in 1936 the Liberal 'ideology's' latent powers of resistance were demonstrated, at two key-points in continental Western Europe, by the unexpectedly solid success of the *expérience Blum* in France and by the surprisingly complete fiasco of the 'Rexist' demonstration in Belgium.[1] At the same time it is true that in 1936 the state of parties in the 'ideological' arena of the world of the day was reminiscent of the situation on the battle-field of Crécy at the moment when the Genoese cross-bowmen were being ridden down by the French knights as a penalty

[1] For the 'Rex' movement see the additional note at the end of the present chapter. Monsieur Degrelle's ill success at Brussels on the 25th October, 1936, could not, of course, be pronounced to be conclusive in the light of the sequel to the almost equally signal failure of Herr Hitler's abortive *Putsch* at Munich in 1924; but the outcome of the by-election at Brussels on the 11th April, 1937, augured ill for the prospects of the Nazi dictator's would-be Belgian imitator. It was noteworthy that the size of the majority which Monsieur van Zeeland polled in this electoral contest was partly due to the intervention of the Cardinal Archbishop of Malines, who had declared on the 9th that the 'Rex' movement was a danger to the Catholic Church and to Belgium, and that no good Catholic ought to cancel his vote by handing in a spoilt or blank ballot-paper. The Brussels by-election will be touched upon again in the *Survey for 1937*.

for having failed to shoot their bolts.[1] If the twentieth-century Liberals, with their sophisticated yet ineffective armoury, were comparable to the Genoese arbalastiers, and the Fascists and the Communists, with their ponderous horse-power, to the French chivalry,[2] then the Christians must find their analogue in the English long-bowmen who were standing at the ready behind their palisade. Who would have suspected that these old-fashioned troops with their wooden weapons had any prospect of emerging victorious from an encounter with steel-built arbalasts and iron-clad horsemen? And yet, at Crécy, it was the long-bow that won the day. This parable might be interpreted to suggest that, even if the fuming squadrons of Fascism and Communism did trample under foot the lackadaisical Liberal vanguard of the modern host of Neo-Paganism, the next phase of the battle might see the post-war 'ideologies' laid low in their turn by the shafts of a Christianity which would then remain sole master of the field.

In this perspective the Fascists' and Communists' common boast that their two rival 'ideologies' were bound to divide the World

[1] The slowness of democracies as compared with dictatorships was one of the themes of a speech which Mr. Baldwin made at Glasgow on the 18th November, 1936. 'Democracy', he said, 'may lag two years behind a dictator.' Yet there was nothing in Mr. Baldwin's speech that was in contradiction with Mr. Eden's praise of Democracy in his speech to the Assembly of the League of Nations at Geneva on the 26th September, 1936, or again with Mr. Churchill's speech in Paris on the 25th September.

[2] The French knights' contempt for the Genoese crossbowmen was akin to the German National Socialists' contempt for the West-European bourgeois-democrats, as expressed in Herr Hitler's speech of the 14th September, 1936, at the National-Socialist Party Rally at Nuremberg.

> It is a matter of complete indifference to us National Socialists whether these democrats love us or hate us, or whether they consider us as equals or not. In fifteen long years the German people has lost all respect for this kind of democracy and for the brotherly actions that are prompted by its real feelings. Ninety-nine per cent. of the German people stand to-day in the camp of national authority. They have no desire ever again to revive their memories of the sympathy shown by the democracy of the World to the democratic Germany of those days, sympathy which was so sincere and so profitable to Germany. We have forgotten all that, and let the World be glad of it. . . . I am afraid that something like this may possibly happen in Europe. Democracy is visibly disintegrating the states of Europe, it weakens their powers of judgment with regard to certain dangers and, above all, it cripples their powers of making any determined resistance. It is the channel through which Bolshevism lets its poison flow into each country, and works there until the infection disables that country's judgment and powers of resistance. I think it possible that then, in order to avoid something more unpleasant, Coalition Governments will arise, disguised as Popular Fronts or something of the sort, and that these Governments will try to remove the last organized and spiritually effective means of resistance to Bolshevism, and may perhaps succeed in doing so.

between them might come to sound fantastically ridiculous. And this boast could not be bolstered up on the alleged analogy with the partition of Western Christendom between Catholicism and Protestantism at the transition from the medieval to the modern age of Western history. In A.D. 1536 the division between Catholics and Protestants accounted for the whole of Western Christendom *ex hypothesi*, since the term 'Protestant' included every one who had repudiated, and the term 'Catholic' every one who continued to acknowledge, the supremacy of the Roman See. In order to find a true analogy to the Fascist-Communist pretension, we must imagine the Lutherans proclaiming in 1536 that a speedy conversion to Lutheranism was the only way for Catholics to escape extermination by the Calvinists, while the Calvinists on their side must be imagined to be proclaiming with equal assurance that a speedy conversion to Calvinism was the only way for Catholics to escape extermination by the Lutherans. The sequel had shown that the Western Christian World in A.D. 1536 was not confronted in reality with this exclusive choice of opting for one or other of two varieties of Protestantism; and in A.D. 1936 there was no better evidence to show that the two post-war varieties of Neo-Paganism were destined in the twentieth century to divide between them the allegiance of all Mankind.

It might even be disputed whether Fascism and Communism were entitled to represent themselves as being genuine alternatives to one another, since, on the fundamental point at issue, they bore as close a mutual resemblance in all Christian eyes in 1936 as Lutheranism and Calvinism had borne in Catholic eyes four hundred years earlier. In Christian eyes the essence of both the post-war 'ideologies' was their inculcation of a worship of organized human power which was incompatible with the worship of the One True God. They were, in fact, two forms of idolatry—if idolatry is to be defined as a worship of the creature instead of the Creator—and, by comparison with this fundamental point of likeness, the diversity in the shape of the idols which they respectively set up was a difference of minor importance. Fascism prescribed the worship of organized human power in the shape of a tribe with some local tang of 'blood and soil'; Communism prescribed the worship of the same ideal in the oecumenical form of a 'Humanity' with a capital 'H'. This difference was superficial; and, such as it was, the year 1936 saw it perceptibly diminishing. For at this time, as has been noted above, the Fascist Powers were catching from Communism a missionary spirit which had been damped in the Soviet Union by the defeat of Trotsky and the victory of Stalin, while on the home front the Fascist

Powers were becoming more Socialist at a moment when the Soviet Union was becoming more *bourgeois*. If these tendencies persisted, a consummation could be foreseen in which all these régimes would have approximated to one single standard pattern of a Neo-Pagan totalitarian state which would have arrived at a working compromise between Socialism and Capitalism in its domestic life and between Nationalism and Oecumenicalism in its foreign policy.

The growing similarity between 'the Third Reich' and the Soviet Union, as they converged towards their common type, would also go far to explain the simultaneously increasing vehemence of their denunciations of one another. For the greatest political asset of either dictator was his claim to be the only possible saviour of his own people from the other dictator's clutches; and evidently the value of the service rendered had to be measured by the difference of degree between the tyranny *from* which and the tyranny *by* which the dictator's *protégés* were being protected. The narrower the margin of perceptible difference between the respective characters of the Hitlerian and Stalinian régimes, the smaller the value of Stalin's services as a protector against Hitler and of Hitler's services as a protector against Stalin. And if the difference were to dwindle to vanishing-point, the human sheep in each of the two folds might eventually begin to ask themselves whether the protection which had been imposed upon them were really worth its cost. On this showing it is evident that if the Nazi and the Soviet régime were now indeed becoming progressively liker to each other in fact, the spell-binders in Berlin and in Moscow alike would be feeling the necessity of eking out a dwindling store of differential facts by making words do heavier duty; and this hard necessity might account in part for the remarkable increase in the volume of the two-way stream of vituperative propaganda which was being bandied to and fro between the German and the Russian man of destiny in this obstreperous year.[1]

In this analysis the post-war 'ideologies' assume a more modest aspect. Instead of taking them entirely at their face value as elemental and dynamic spiritual forces erupting out of the mysterious lower depths of the soul of Man, we might also look upon them as weapons in the armoury of certain Great Powers which were asserting themselves at the time.

In a previous volume[2] we have noticed that one of the immediate effects of the General War of 1914–18 was to diminish the relative influence of the Great Powers as a class, and to increase the relative

[1] See the present volume, Part III, section (ii).
[2] *The World after the Peace Conference*, section (iii).

influence of the commonalty of lesser states, over the conduct of international affairs. This particular change in the balance of international forces was one of the favourable circumstances which had made it possible to inaugurate that essay in a collective system of international law and order which had been embodied in the League of Nations. By the beginning of the year 1937 it had become manifest that the experiment which had been put in hand seventeen years before had met with a serious reverse, and that the post-war balance of forces was reverting towards something more like the pre-war dispensation under which the Great Powers had ruled the roost while the lesser states had been almost as dumb as sheep before their shearers. Before the end of the year 1936 the Great Powers as a class were in the ascendant once again; and this change of relative fortunes was especially conspicuous in the case of those Powers which had suffered the deepest eclipse.

As a result of the General War of 1914–18 no fewer than five Great Powers had fallen into diverse degrees of adversity. The Danubian Hapsburg Monarchy had been broken into fragments; the Hohenzollern and Romanov Empires had been laid prostrate by the three successive shocks of military defeat, territorial mutilation, and political and social revolution; and even Italy and Japan, who had found themselves on the winning side at the end of the struggle, were so bitterly disappointed at the meagreness (as it seemed to them) of their allotted share in the spoils of the victory of the Allied and Associated Powers that, in the post-war years, they felt as though they had been numbered among the vanquished rather than among the victors. By the end of the year 1936 no less than four of these five discomfited Powers had succeeded in re-asserting themselves.

Japan and Italy had supplemented the short measure of their allotments in the peace settlement of 1919–21 by helping themselves to large slices of territory belonging to defenceless neighbours against whom the two predatory Powers had successfully committed the crime of unprovoked aggression in breach of their own undertakings under the Covenant of the League of Nations and under the Kellogg-Briand Pact of Paris. At this date it remained to be seen whether in the long run the possession of Manchuria and of Abyssinia would increase, and not rather diminish, the wealth and happiness of the Japanese and Italian peoples; but there could be no doubt that the immediate potency of the Japanese and Italian states as Great Powers had been formidably heightened by the fact that they had succeeded in carrying off their prey, not merely by force of arms in combat with the helpless lawful owners, but also in defiance of the

public opinion of the World and in despite of the operation of the post-war system of collective law and order. Both Italy and Japan had in fact reasserted their title to rank as Great Powers, if a Great Power might be defined as a state which was militarily strong enough to deter the rest of the World from attempting to call it to account. The motto of both these Powers at this time was *oderint dum metuant*. And the international consequences of this Japanese and Italian truculence could not be measured simply by the damage, serious though this might be, that had been directly inflicted upon the League of Nations by the outbreak and outcome of the Japano-Chinese and Italo-Abyssinian conflicts. An indirect effect of the Japanese and Italian triumphs that was even more ominous was the encouragement which the spectacle had afforded to Russian and German ambitions. Although both Germany and Russia had been hit much harder by the outcome of the War of 1914–18 than either Italy or Japan, their latent strength was much greater and their prostration, though extreme, was now proving to have been only temporary. In 1936 both of these recuperating giants were rising menacingly to their feet, and the rest of the World was anxiously speculating whether one or other or both of them might be preparing to emulate Japan's aggression of 1931–3 and Italy's aggression of 1935–6 on a scale proportionate to Russia's and Germany's titanic strength.

It will be seen that, of the four Great Powers which in 1936 were forging ahead in the now once more troubled waters of the stream of international life, no less than three were associated respectively with one or other of the 'ideologies' which were alternative expressions of the post-war idolization of organized human power. The Soviet Union was associated with Communism, Germany with National Socialism, Italy with Fascism. This threefold correspondence could hardly be dismissed as a mere effect of chance—and the less so in the light of the historical precedents; for these were not the first examples in the modern history of the Western World of the association of an 'ideology' or a religion with the economic or political ascendency of a Great Power.

In the nineteenth century, when Great Britain had been the leading Power in the World thanks to her undisputed naval supremacy and to her priority over all other countries in putting herself through the mill of the Industrial Revolution, the Liberal 'ideology', for which England had stood ever since 'the Glorious Revolution' of 1688, seemed to be making a triumphal progress round the World; and even the peculiar English political system of responsible parliamentary democratic government, which was redolent of the English

'blood and soil', was adopted at this time in countries where it had no footing at all in the local tradition and by peoples who would never have dreamt of trying to acclimatize anything so exotic if this queer parliamentarism had not dazzled their eyes with the glory that was being reflected upon it by the nineteenth-century prestige of a parliamentarily governed England.[1] For a shorter period at the turn of the eighteenth and nineteenth centuries the single-handed struggle of a Revolutionary France against all the rest of Europe had been associated with the international propagation of the gospel of Jacobinism.[2] Similarly, in the sixteenth century, the economic and political ascendancy of Spain had been associated with the Catholic cause throughout the World—in the Far East and in the Americas as well as in Europe—and there had been a corresponding association between the Ottoman Empire and Islam, and between the Muscovite Empire and Orthodox Christianity, right down to the overthrow of both these Great Powers in the General War of 1914–18.

It will be seen that it was no uncommon phenomenon for the fortunes of a religion or an 'ideology' to be linked with those of some Great Power which was addicted to the creed in question; and the progress of the Power and the creed *pari passu* might be explicable in either or in both of two ways. On the one hand, the vogue of the creed abroad might be an undesigned and almost automatic consequence of the prestige of the Power which was seen to live by this faith; or on the other hand the rising Power might be deliberately propagating its distinctive religion or 'ideology' as a means towards the end of its own political aggrandizement.[3] In either case, however, the primary event would be, on this showing, the rise of a Great Power, and the concomitant spread of an 'ideology' would be a subsidiary affair which must be looked at as an ideological 'epipheno-

[1] It is true that the Liberal 'ideology' and the parliamentary system of government did not make their nineteenth-century conquests entirely in their original English forms. It was in a French version that they captivated the European Continent and in an Anglo-American version that they captivated the Hispanic-American countries. All the same, the whole movement was derived, whether directly or indirectly, from an English source, and the tide reached its high-water mark at the moment when Great Britain was at the height of her economic and political power.

[2] See the *Survey for 1924*, pp. 179–80.

[3] In Spain, for instance, in the years 1936–7, the claim which was maintained by the Germans, Italians and Russians alike, with equal vehemence, that their intervention in the Spanish civil war was in the nature of an 'ideological' crusade, wore threadbare as time went on. By the summer of 1937 it was manifest—to all eyes that were not wilfully blind—that this profession of a disinterested 'ideological' faith was a transparent cloak for the pursuit of material aims that were nakedly national.

menon' on the surface of an underlying *Realpolitik* if it was to be seen in its proper perspective and proportions.

At the time of writing, in 1937, it was not yet possible to judge with any clarity whether this view of the post-war 'ideologies' as adjuncts to the post-war efforts and ambitions of particular Great Powers came nearer to the truth than the opposite opinion that these 'ideologies' were genuine movements of thought and feeling with a spiritual reality of their own and with a historical rôle far transcending in importance the destinies of the several Great Powers that were momentarily serving as their respective political vehicles. The question at issue here was still open and still contentious. It was, however, less disputable that, whatever might be the true nature of the relation between 'ideologies' and Great Powers, the particular Great Powers which were associated with the post-war 'ideologies', and also the whole species of which these particular Powers were representatives, were reassuming in 1936, at the expense of all the lesser states, that monopoly of the international arena which they had held during the century ending in the General War of 1914–18.

This is another way of saying that in 1936 it looked as though the closure of the post-war period were being followed, in the international field, by a return of certain familiar nineteenth-century conditions; and this statement, in its turn, is another way of putting the question whether the new international era (if new it was) was likely to end in the catastrophic fashion of its nineteenth-century predecessor.

This was a question on which in 1936 both opinions and feelings in England were profoundly divided. There were voices which greeted the apparent collapse of the collective system of international order in the cheerful tone with which the demise of the Holy Alliance had been welcomed by Canning in an age when the relation of Great Britain to Continental Europe was not yet what it had come to be since the invention of flying. For an English observer in 1936 it was difficult to judge whether this English show of complacency in face of a resurgent spectre of international anarchy was sincere, or whether it was a veil thrown over an uneasiness at a turn of affairs which the outwardly complacent Englishman did not really relish, though he might acquiesce in it in preference to taking the risks and making the sacrifices without which a relapse into anarchy could not be resisted. There were at any rate some voices in the same country in the same year which were publicly confessing to a sense of dismay at the spectacle which was now coming into view on the international stage.

In this confusion of tongues the optimists could be heard contending that—apart from a few brief and perfunctory essays in international order on the morrow of each of the periodical great wars—the modern Western World had been living in a state of international anarchy for some four hundred years past, and that on this evidence there was no reason why the World should not thrive on the same international regimen for at least another four hundred years to come. This appeal of the optimists to the arbitrament of experience was being contested by the pessimists on the ground that precedents (like treaties) remained valid only *rebus sic stantibus*—and in 1936 the pessimistically inclined spectators of the international scene could point to several factors, of diverse scope and weight, which were, all alike, so many new elements in the situation. One of these factors was the need of the contemporary World for unification—a need which was making itself so acutely felt that it seemed likely to insist upon obtaining satisfaction by the old-fashioned method of conquest and domination if it were not successfully met by the new-fangled experiment in collective international action. Another new factor was the unprecedented potency of the new-fangled instruments of human power—and this not only in the sphere of material technique but also in the more dynamic field of social organization. A third factor was the impulse which was showing itself in both England and France to withdraw into a detachment of the Swiss or Scandinavian kind and so to leave the field at the unhampered disposal of rougher players who had not yet lost their zest for the war-game. Were these factors, in the aggregate, of such weight as to upset the optimists' calculations? This was a question which could already be propounded but which could not yet be answered at the time of writing.

ADDITIONAL NOTES

(i) *The Post-War Ideologies in Belgium and in Great Britain*

In the chapter to which this note attaches[1] a passage has been quoted from a speech delivered by Herr Hitler at Nuremberg on the 14th September, 1936, in which the German prophet of National Socialism declared his conviction that in the democratic countries of Western Europe at any rate, if not in those of the Overseas World, Democracy was destined to fester into Communism unless it had the sense and the grace to sterilize itself in the furnace of Fascism. At the time of writing, in the spring of 1937, this Hitlerian forecast could be put to the test of the actual course of events in three West-European countries during the calendar year in the autumn of which Herr Hitler's prophecy was uttered.

[1] See p. 28, footnote 2.

In this year the psychic wave of ideological mania did sweep westward out of Germany and Italy into Belgium and France and even across the Channel into Great Britain; and these Fascist and Communist disturbances of the peace in a socially as well as geographically insular country which was the source and citadel of parliamentarism were a portent which might seem to lend some colour to the Austrian seer's prognostications. On the other hand, before the year closed, this public nuisance in Great Britain had been effectively dealt with by legislation that was supported by all parties, and within the same period the 'Rex' movement suffered a severe setback in Belgium, while—most disconcerting of all from Herr Hitler's standpoint—the *expérience Blum* in France did not froth over into revolution.

For 'the Third Reich', France was the West-European country in which the outcome of the struggle between Democracy and the post-war ideologies was of the greatest immediate practical importance. If France in the autumn of 1936 had gone the way that Spain had gone in the summer, then Herr Hitler might have had a free hand to strike, not only in Spain, but also in Central and Eastern Europe, whereas, in the event, the turn of the years 1936 and 1937 saw France still standing, *aktionsfähig*, as the sentinel of Europe, and now looking forward to reinforcement from a rearming Britain. It was, above all, this successful resistance of Democracy to the ideologies in France that was keeping Germany within bounds at this critical moment. But on a longer view it was the Belgian and British fortunes of the ideologies that threw the greatest light upon the ultimate prospects of these aggressive creeds; for, while Great Britain was the birth-place of Parliamentary Democracy, Belgium was the Continental country in which this British political plant had been the most successfully acclimatized. On this account, if the ideologies had gained a sure foothold in either of these two countries, their expectations of attaining to world-dominion would have been bright; and their actual fate in Belgium and in Great Britain may therefore be touched upon briefly in a survey of international affairs in 1936 in which it would hardly be possible to include the corresponding French story without expanding this part of the volume to a disproportionate length.

In Belgium the 'Rex' Party—which was impiously, or impudently, named after *Christus Rex* and was captained by a young Walloon, Monsieur Léon Degrelle—abruptly brought itself to public notice by winning twenty-one seats in the general election of the 24th May, 1936. The Rexist programme was to wage war on political and financial corruption, to support Flemish Nationalism, and to extricate Belgium from her post-war entanglement with France—a point of policy which was a burning question in Belgium on the morrow of the German military reoccupation of the Rhineland. After its initial success, the movement at first followed the conventional course. On the 8th September, 1936, for instance, a store of arms was discovered by the police in the house of a member of the party at Liége; on the 15th September a group of Rexists, including the leader himself, were the objects of an attack by persons unknown while *en voyage* in a river-steamer between Liége and Seraing; and on the 13th October, at the Belgo-French frontier, Monsieur Degrelle was refused permission to enter France. The Belgian dictator-

aspirant's next move was to convene a monster rally of sympathisers with his movement to assemble in Brussels on Sunday the 25th October; and when the Belgian Cabinet, at a meeting held during the night of the 21st–22nd, decided that the advertised rally was to be banned, Monsieur Degrelle proclaimed that he would hold the rally all the same and would mobilize 250,000 people. The Government, however, took precautions; Jupiter Pluvius intervened in Monsieur van Zeeland's favour by sending a rainy day; the rally was a fiasco; and Monsieur Degrelle and two of his supporters were arrested for an infraction of the police regulations, only to be released at 1.30 a.m. next day. Nevertheless, Monsieur Degrelle prophesied on the 27th October to the representative of an English newspaper[1] that he would come into power within a few months and would remain in power for twenty years. On the 4th November the Chamber at Brussels approved the Government's handling of the incident of the 25th October by 133 votes to 41; and on the 18th November the Correctional Tribunal of the same city fined Monsieur Degrelle 10 francs for his infraction of the police regulations on the day of the abortive rally.

In spite of this rather farcical overture, the Belgian Government and public took the 'Rex' movement seriously; and in this they were evidently wise, on the showing of the hardly less farcical first chapter in the history of the Nazi movement in Germany. In his entente with the Flemish Nationalists and in his advocacy of a return to detachment Monsieur Degrelle held two strong cards. On the other hand, as a dissident Catholic and as an avowed enemy of Democracy, the leader of 'Rex' was challenging the two strongest social forces in Belgium; and his discomfiture on the 25th October, 1936, came to look more significant after its repetition on the 11th April, 1937. The by-election which was held in Brussels on the latter date, with Monsieur Degrelle and Monsieur van Zeeland as the opposing candidates, will be dealt with in the next volume of this *Survey* in connexion with the contemporary development of Belgium's foreign relations.

In Great Britain the year 1936 saw the British Union of Fascists, whose founder and leader was Sir Oswald Mosley, emerge into a temporary prominence through the adoption of a policy of provocation which was one of the well-tried weapons in the Continental armoury of the post-war ideologies.[2] The targets on which Sir Oswald Mosley trained his batteries in this campaign were the Jews and the Communists; and both targets lent themselves to their assailant's tactics—the Jews involuntarily through the mere fact of their presence in London and Manchester in sufficient numbers to give an anti-Semitic agitation some chance of appealing to the baser sort among their Gentile neighbours, and the Communists with zest, because Communism and Fascism throve on nothing so heartily as on their warfare with one another.[3] This truth is written large on the face of events recorded in the following brief chronicle.

[1] See *The Daily Telegraph*, 28th October, 1936.

[2] On this point see an interesting letter by Dr. Herman Finer, the author of *Mussolini's Italy* (London, 1935, Gollancz), which was published in *The Times* of the 13th October, 1936.

[3] In 1936 the writer of this *Survey* came across one amusing illustration of the illuminating truth that every 'row' between Fascists and Communists

In the House of Commons at Westminster on the 13th February, 1936, the Home Secretary, Sir John Simon, stated in answer to a parliamentary question that in the East London borough of Shoreditch the police were on the *qui vive* in regard to complaints of Fascist intimidation of Jewish shopkeepers. On the 27th February some disorder arose out of a meeting of Sir Oswald Mosley's adherents in the Cheetham Public Hall, which was situated in a predominantly Jewish quarter of Manchester. On the same day Sir John Simon announced—again in answer to a parliamentary question—that the police were looking into complaints of the intimidation of Jewish shopkeepers in the East London borough of Bethnal Green. At Warrington on the 3rd March one of the speakers at a Fascist meeting sustained injuries at the hands of a hostile crowd. On the 5th March the question of the Fascist intimidation of the Jewish community in East London (particularly in Shoreditch, Bethnal Green and Hackney) was raised again in the House of Commons by Mr. Herbert Morrison, and in his reply Sir John Simon declared that 'in this country we were not prepared to tolerate any form of Jew-baiting' and announced that more effective police measures for preventing this were under consideration. On the 22nd March there were disorderly scenes in and around a meeting which Sir Oswald Mosley held that evening in London in the Albert Hall. The meeting itself was punctuated with interruptions and ejections; and anti-Fascist counter-meetings which were organized in the vicinity resulted in collisions between the demonstrators and the police.[1] On the 15th May there were disturbances at a Fascist meeting held in Edinburgh, and on the 25th again at a Fascist meeting held in Oxford. On the 16th June the question of Fascist Jew-baiting in the East London borough of Stepney was raised in the House of Commons at Westminster; and at the Liverpool Assizes on the same day two Fascists were sentenced to terms of six months' imprisonment for having assaulted and injured three members of the Social Credit Party. On the 21st June 573 foot police and 59 mounted police were on duty in Finsbury Park to keep the peace at a Fascist meeting there.[2] On the 28th June disturbances

was grist to the mill of *both* the two brawling ideologies. After a meeting of Sir Oswald Mosley's in Oxford on the 25th May, 1936, at which the usual disturbances occurred, the writer noticed that an undergraduate member of the University with whom he was intimately acquainted, and who was an adherent of the opposite ideology to Sir Oswald's, always referred to the meeting as 'our meeting'—although the only part which the Communists had taken in this meeting was to be assaulted and ejected by Fascist hirers of the hall. Nevertheless, the first person plural, which the young man always employed without realizing the implication, was undoubtedly the proper form of the possessive pronoun for him to use in this connexion; for it was patent that this rowdy meeting had been just as enjoyable and just as valuable to the Communist interrupters as to the Fascist organizers. In fact, in Great Britain, as elsewhere, Fascism and Communism were indispensable to each other; and it seemed improbable that either ideology could outlive the other for long.

[1] See Sir John Simon's statement in the House of Commons at Westminster on the 25th March, 1936.

[2] Statement by Sir John Simon in the House of Commons at Westminster on the 22nd June, 1936.

arose out of a meeting held by Sir Oswald Mosley in the Hulme Town Hall, Manchester, and on the 4th July, again, out of a Fascist meeting at Walthamstow. On the 12th July Sir Oswald Mosley was pelted and shouted down at an open-air meeting on the Corporation Field at Hull, and there were similar scenes on the 19th July at another open-air meeting which he held this time on Albert Croft, Queen's Road, Miles Platting, Manchester. On the 30th August there were disorders and arrests at two meetings in London; one held in Victoria Park by the Ex-Servicemen's Movement against Fascism, and the other held by Sir Oswald Mosley's British Union of Fascists in Parliament Fields, Hampstead. On the 21st September, in the London Central Criminal Court, the proprietor of *The Fascist* was sentenced to six months' imprisonment, and the printer to a fine of £20, on charges of libelling the Jews. On the 27th September a number of people were injured in disorders at a meeting addressed by Sir Oswald Mosley on Holbeck Moor, Leeds. This long series of ideological agitations worked up to a climax in October.

On the 2nd October a deputation from the Jewish People's Council called at the Home Office and presented a petition, with 100,000 signatures, praying for the banning of a march through the East End of London which Sir Oswald Mosley and his followers were proposing to carry out on the 4th. When the day arrived skirmishing started between the Fascists who were assembling for the march and a crowd which was gathering to prevent it; and in these circumstances the march was diverted from its intended route by the Commissioner of Police of the Metropolis. Both the Fascists and the Communists, however, held meetings that evening in Shoreditch in a tense atmosphere, and sixty-nine arrests were made by the police in the course of the day. Commenting on these events of the 4th October in a speech delivered on the 7th to his constituents at Cleckheaton, Sir John Simon explained that the law of the United Kingdom did not empower the authorities to ban meetings in advance, though the police had the right (which they had exercised on this occasion) 'to require that meetings should be held elsewhere or abandoned should circumstances necessitate it'. In the same speech the Home Secretary declared his dislike for 'this dressing up in fancy uniform and this aping of military organization for political purposes', and he expressed the view that

> Fascist doctrine is as un-English and unwanted as Communist doctrine, but the duty of the authorities is to do all they can with complete impartiality to maintain freedom of meeting and speech for all doctrines, however foolish and mischievous they may be, provided that the law is not broken.

On the same day, the 7th October, 1936, the Manchester City Council took a new departure in approving a proposal to authorize a Fascist demonstration in St. George's Park, Hulme, on the condition that no uniforms should be worn by the demonstrators. Meanwhile the disturbances went on. On the 11th October there were police charges and arrests at a Fascist meeting in Liverpool and at a Communist 'victory march' in East London. On the 12th a Communist meeting was dispersed by mounted police at Bethnal Green, and there were encounters between Communists and Fascists at Middlesbrough. And on the 8th November

there was a slight disturbance at a meeting held by Sir Oswald Mosley in the Free Trade Hall, Manchester. By this time, however, the tension in East London—which had been gradually increasing throughout the year and had been seriously aggravated by the events of the 4th October—had set in motion authoritative and determined endeavours to abate a public nuisance which had almost become a public scandal and which was threatening to turn into a public danger.

On the 6th October it was announced that, under the auspices of Toynbee Hall, a Council of Citizens of East London was being formed for the purpose of uniting people of all parties and creeds in East London in an effort to maintain order and good will and to repel attacks upon liberty, democracy and freedom of thought.[1] On the 8th October Mr. Herbert Morrison, in a speech at Edinburgh, spoke gravely of 'the development of a situation which looked as if the East End of London was to be made the battleground of organized Fascism and organized Communism'; and he appealed to the Government to take quick action. Thereafter, a Fascist meeting which was to have been held in Battersea Borough Hall on the 9th October was banned by the Battersea Borough Council. And on the 16th October Mr. Morrison followed up his speech of the 8th by making public the text of a letter which he had written to Sir John Simon on behalf of a conference consisting of the Executive of the London Labour Party, together with Labour Members of Parliament, mayors, members of the London County Council, members of Borough Councils, and secretaries of local branches of the Labour Party in East and North-East London.

This letter declared that—

> Recently a Fascist organization, meticulously following the technique it has learned from foreign countries, has taken action in East London which appears to be deliberately provocative and calculated to produce social disorder, racial hatred, and strife which, fortunately, are contrary to British traditions and the best instincts of the British public. . . . As a consequence there have been disturbances; thousands of people are in fear for the safety of themselves and their homes; the state of tension is beginning to affect the children and may in due course poison the happy school life of the East End; demonstrations and counter-demonstrations have required the attendance of large numbers of police, who have been diverted from more important duties, and whose difficulties in the protection of life and property in the area have accordingly been increased. Looking ahead, and taking into account the brutalities that occur in other countries, it appears to us that there is a distinct probability of a progressively worsening situation that will constitute a growing disgrace to the good name of our country.

The letter went on to request the Home Secretary to receive a deputation which would ask, among other things, for the prohibition of military uniforms and quasi-military training in connexion with political parties. This London deputation was duly received by Sir John Simon on the 20th October; and on the 23rd he received another from the Watch

[1] See also an interesting letter of the 17th October, 1936, from the Warden of Toynbee Hall, Mr. J. J. Mallon, which was published in *The Manchester Guardian* of the 20th October, 1936.

Committee of Manchester. On the 26th October the Cardiff City Council followed—and went beyond—the Manchester City Council's lead by placing a general ban on the wearing of uniforms at Fascist meetings. On the 29th October the Under-Secretary to the Home Office stated in the House of Commons at Westminster in answer to a parliamentary question that 'as the result of the special measures taken by the police there' had 'been a definite reduction of the grosser forms of anti-Semitic activity in the East End, but that the Fascists' had 'not relaxed their efforts to arouse anti-Jewish feeling by innuendo and veiled abuse'. On the 31st October the Fascists of Pontefract were locked out of Pontefract Town Hall for having ignored a decision of the Town Council's that uniforms must not be worn at a Fascist meeting for which the Town Hall had been booked that evening.

The action on the part of the Government, for which there was now so strong a demand, was taken in November. On the 10th of that month Sir John Simon presented to the House of Commons a Public Order Bill entitled 'a Bill to prohibit the wearing of uniforms in connexion with political objects and the maintenance by private persons of associations of military or similar character; and to make further provision for the preservation of public order on the occasion of public processions and meetings and in public places.' This Bill made it an offence to wear 'uniform signifying association with any political organization or with the promotion of any political object in any public place or at any public meeting'.[1] It also made it an offence to organize or train or equip any association of persons for the purpose of enabling them to be employed in usurping the functions of the police or of the armed forces of the Crown or for the use or display of physical force in promoting any political object. The public authorities were also given increased powers for dealing with processions and with disturbances at public meetings; and the bearing of weapons and hurling of insults were made into offences if these acts were performed in public places or in public processions or meetings.

This Bill, which was supported by all parties, passed its third reading in the House of Commons on the 7th December, and in the House of Lords, with certain amendments, on the 17th December—each time without a division—and it received the Royal Assent on the 18th December. At the time of writing, in the spring of 1937, this piece of British legislation appeared to be effectively achieving its object—which was, indeed, an object that manifestly commanded the support of an overwhelming majority of His Britannic Majesty's subjects in the island of Great Britain.

(ii) *Reichsdeutsch Propaganda abroad under the National-Socialist Régime*

In the chapter to which this note attaches two statements have been quoted—one from the mouth of Herr Hitler and the other from the mouth of Dr. Goebbels—which were both presumably authoritative and were both made in the same year but which are not easy to reconcile. At

[1] It was perhaps characteristic of British procedure that the terms 'uniform' and 'political object' were left undefined in the Bill—the interpretation of the meaning of the Act being thus left to the courts. Certain innocuous uniforms (e.g. those of the Salvation Army and the Corps of Commissionaires) were expressly excepted from the operation of the Act.

Hamburg on the 4th February, 1936, Dr. Goebbels said: 'Moscow is not the only one to make propaganda. We also spin our threads.'[1] At Nuremberg on the 14th September, 1936, Herr Hitler said: 'We are not missionaries of our political opinions in foreign parts.'[2] The historian who is confronted with these contradictory statements must do his best to test them in the light of the contemporary facts. In the nature of the case, however, these facts were difficult to ascertain; for one of the tricks of propaganda—as this questionable art had been developed in and after the War of 1914–18—was to conceal the fact that one was carrying on propaganda oneself while imputing propaganda activities (whether truly or falsely) to one's adversary. In the case in point every Fascist and Communist movement and leader in any Western democratic country was accused, as a matter of course, of receiving countenance and support from Berlin or Rome or Moscow, according to the colour of the denigrated party's ideological coat. It was evidently improbable that these charges were all either completely justifiable or completely baseless; but it was peculiarly difficult for the bona fide investigator to discover the intermediate point at which the truth lay hidden. With this reservation, an attempt may be made to test Herr Hitler's and Dr. Goebbels's incompatible statements, quoted above, in the light of what was known about Reichsdeutsch propaganda abroad in the year 1936—so far as this is not dealt with in other parts of the present volume or reserved for treatment in future volumes of this series.[3]

This Nazi Reichsdeutsch propaganda abroad was directed to different publics and to different purposes in different countries.

To begin with, there were a number of continental European countries, within reach of the military power of a rearmed German Reich, which the makers of Reichsdeutsch foreign policy might aspire to bring into some form of tighter or looser association with the Reich (the alternative forms ranging from outright annexation through *Anschluss* and *Gleichschaltung* to a hegemony which might be exercised with so light a hand that the Reichsdeutsch rider's foreign mount would scarcely feel the chafing of the saddle or the sting of the whip). This group of countries within the Third Reich's political ambit might be catalogued as follows in the approximate order of Hitlerian or Rosenbergian ambitions. The Baltic states and Czechoslovakia might have to fear a total loss of independence; Poland and Denmark might have to fear the loss of territories, previously incorporated in the German Reich, which had been assigned—or, more accurately speaking, restored—to them in the peace settlement of 1919–20; Austria might have to fear an *Anschluss* or at the very least a *Gleichschaltung*; and finally Hungary, Rumania, Jugoslavia, Bulgaria and Greece might have to fear a Reichsdeutsch hegemony which would weigh upon them with a heaviness that would vary in the direct ratio of their geographical proximity to the Reich and in the inverse ratio of the importance of the German minority in their midst (if such there were).

[1] Quoted on p. 19, above. [2] Quoted on p. 16, above, footnote 3.

[3] Reichsdeutsch propaganda in Austria and in Hungary and in Czechoslovakia in the years 1935–6 is dealt with in the present volume in Part III, section (iv) (*a*) and (*b*). Reichsdeutsch propaganda in South-West Africa and in Spain will be dealt with in the *Survey for 1937*.

It is evident that the Reichsdeutsch propaganda must be mainly or even exclusively directed towards the German minority in countries which had to fear the worst at the hands of the Reich and in which the non-German majority of the population was also democratically inclined and therefore averse from the Nazi ideology besides being unwilling to fall under a German domination. This was the situation in Denmark and in Lithuania and in Czechoslovakia—three countries in which the Reichsdeutsch Nazi propaganda among a German minority contiguous to the frontiers of the Reich was causing anxiety at this time to the non-German majority of the population and to the Government of the state.[1] There were other countries which were likewise afraid of being partly or wholly dominated by Germany, and which were moved by this fear to take strong measures against the Nazi propaganda among the German minority in their midst, but which at the same time were so far in sympathy with the Nazi ideology as to breed native Nazi parties in the bosom of the non-German majority of their population. This was the situation in Hungary, Rumania and Estonia, and there were perhaps tendencies in the same direction in Poland and Jugoslavia. This was manifestly a situation of some intricacy and delicacy for all parties. The Reichsdeutsch propaganda agencies were here confronted with the problem of reconciling their support of the local German minority (which they could not abandon with decency) with a support of the local non-German Fascist movement (which was well worth supporting because it might bring the whole country in question into the orbit of a Nazi German Reich if it could be helped to win its way to power); and it was not easy to drive these two horses in double harness, since the imitative Magyar and Ruman and Est brands of Nazidom resembled the original German brand in being hostile not only to the Jews but also to all other alien minorities in their midst; and in post-war Hungary and Rumania and Estonia the most conspicuous non-Jewish minority was the German diasporà. In the third place there were countries like Bulgaria and Greece where the relative modesty of Reichsdeutsch ambitions and the absence of any local German minority made the situation less complex and the Reichsdeutsch propagandists' task proportionately easier.

The diverse Reichsdeutsch propaganda activities in the countries above mentioned were unobtrusive in so far as they were successful. They only became a matter of notoriety when they were sufficiently menacing or maladroit to produce 'incidents'; and their normal working in obscurity has to be inferred from the exceptional cases in which they were dragged out into the light.

In Lithuania, for example, in April 1936, the police succeeded in laying hands upon the smugglers who, during the past six months, had been bringing across the frontier a quantity of propaganda-leaflets, inciting the Lithuanian peasantry against the Government, which emanated from a printing press on German soil in East Prussia. On the 23rd May four

[1] The Nazi agitation among the small minority of Germans in North Slesvik who had come under Danish rule again as a result of the peace settlement of 1919–20 had begun on the morrow of Herr Hitler's advent to power in Berlin (see the *Survey for 1933*, pp. 171–3). For the methods employed in 1936 see an article in *Le Temps*, 26th May, 1936.

Lithuanian peasants were executed for this offence after a secret trial by court martial, while eight others were sentenced to imprisonment for life. In Latvia on the 23rd March, 1936, the Government announced the arrest of some thirty Latvian Germans, belonging to a local German Nazi organization called the Bewegung (i.e. 'the Movement' without any compromising epithet), who were accused of conspiracy against the state. In the summer of the same year the Estonian Government were being made uneasy by the fraternization of their own Est Fascist Youth with a visiting party of Reichsdeutsch Hitlerjugend.

In Poland on the 14th May, 1936, the Minister for the Interior issued a decree (comparable to the United Kingdom Act of Parliament of the 18th December, 1936) forbidding the wearing or display of swastika emblems, as well as the wearing of the uniform and armlet of the Jungdeutsche Liga, which was one of the organs of the Nazi movement among the German population in Poland. In the summer the Polish authorities confiscated the song-books of the Polish Germans and the Young Polish Germans. But these and other general measures against the political activities of the German minority in Poland as a whole were eclipsed by the events of the year in Upper Silesia, where the relations between the Polish and German elements in the local population were now deteriorating *pari passu* with the approach of the expiry of the fifteen-years' régime which had been established in both parts of Upper Silesia by the Polish-German Convention of the 15th May, 1922, in pursuance of the Geneva award of the 12th October, 1921.[1]

In the third week of February 1936, 76 members of the Nationalsozialistische Deutsche Arbeiterbewegung of Upper Silesia were arrested by the Polish police, and the Polish authorities stated that about 400 other 'wanted' persons had made their escape across the frontier into Germany. Eventually, 119 German prisoners were brought to trial at Katowice on the charge of having conspired to make an insurrection in Polish Upper Silesia in the summer of 1937, after the expiry of the convention, with the object of bringing about the reincorporation of the province into the Reich. And in the course of the trial one of these German prisoners, Joseph Zajontz, confessed that, though all the prisoners were Polish citizens, they had sworn to have no leader but Adolf Hitler and had conspired with Reichsdeutsch subjects and Reichsdeutsch officials, including members of the Secret State Police of the Reich. One of the prisoners committed suicide before the trial opened, and another before it concluded. Ninety-nine of the prisoners were condemned on the 21st June, 1936, to terms of imprisonment ranging from eighteen months to ten years. Thereafter, at Tarnowski on the 12th November, 49 members of a Polish Upper Silesian German youth organization were brought to trial, and on the 28th November 42 of them were found guilty by the court.

In Rumania in January 1936 a Nazi propaganda agent was arrested in the Transylvanian German town of Brašov; and German propaganda continued to cause the Government concern throughout the year. In Jugoslavia, from the 21st March, 1936, onwards, a German newspaper, the *Beograder Tageblatt*, started publication for the benefit of a German

[1] See *The History of the Peace Conference of Paris*, vol. vi, pp. 261–5, 617–30, and the *Survey for 1920–3*, pp. 267–70.

minority which in the aggregate amounted to some 574,000 souls,[1] but which was scattered along the northern and north-eastern fringes of the country from Slovenia to the Banat.

In all the continental countries, contiguous or adjacent to 'the Third Reich', that have been passed in review so far in the present context, there was one common element in the situation, and this was that in each of these countries the German element in the population was in a minority. There were, however, two countries bordering on the Reich in which the situation was different, and these were Austria and Switzerland; for in Austria the whole, and in Switzerland a great majority, of the population was German-speaking; and these Swiss and Austrian German-speaking populations were of the same historical origin as their immediate Reichsdeutsch neighbours.[2] The issue in Switzerland and in Austria was that of the relation between mother tongue and national consciousness. It was notorious that the German-speaking Swiss were 'totalitarianly' Swiss in their political allegiance, and had no more feeling for the German Reich than the French-speaking Swiss or Canadians had for France or the Americans for the United Kingdom. There was not, and never had been, any political movement among the German-speaking Swiss for political union with the Reich; and Herr Hitler himself had publicly declared, in a speech delivered in the Reichstag on the 21st May, 1935, that the German-speaking part of Switzerland was not a Reichsdeutsch *terra irredenta*. In Austria the contention of Dr. von Schuschnigg and the members of his Austrian Vaterländische Front was in effect that the Austrian and the Swiss situations were analogous. The Austrians, like their Swiss neighbours, were on this view a German-speaking people with a separate national consciousness of their own. In Austria, however, in contrast to Switzerland, this thesis did not go unchallenged. It was contested on the one hand by a native Austrian Nazi party of unknown strength, and on the other hand by Austria's formidable neighbours the Reichsdeutsch, who maintained—and this before as well as after the advent of an Austrian dictator to power in Berlin—that Austria, unlike Switzerland, was politically bone of the bone of the Reich and flesh of its flesh. The latest chapter in the history of Reichsdeutsch policy towards Austria is recorded in another part of the present volume,[3] but in this place something must be said about the relations in 1936 between the Reich and Switzerland.

These relations, which had been difficult ever since the establishment of the Nazi régime in Germany,[4] were suddenly rendered acute when on the 4th February, 1936, at Davos, the leader of the Nazi organization among the Reichsdeutsch residents in Switzerland, Herr Gustloff, was assassinated by a young Jugoslavian Jew who was a medical student at the

[1] See C. A. Macartney: *National States and National Minorities* (London, 1934, Oxford University Press), p. 526. See also the same author's *Hungary and her Successors: The Treaty of Trianon and its Consequences, 1919–37* (London, 1937, Oxford University Press).

[2] Austria had started life as the Ostmark of Bavaria; the German-speaking Swiss were descended, like their Swabian neighbours across the Rhine, from the Alemanni.

[3] Part III, section (iv) (*a*) (4).

[4] See the *Survey for 1933*, p. 173.

University of Berne. The commission of this crime on Swiss soil moved the press of the Reich to fire off a volley of abuse against the Swiss Government and people; and this unprovoked act of verbal aggression roused the Swiss press to retort by launching a counter-campaign for the prohibition of all Nazi organizations and activities among Reichsdeutsch residents in Swiss territory. On the 18th February the Swiss Federal Council took a decision to this effect; and when the German Minister at Berne lodged an official protest against this decision on the 20th February, the Swiss Government replied on the 28th in a note which contained the following passage:

> The National-Socialist Party possesses the qualities and character of a corporation according to public law. The heads of the party abroad, even if regarded by the country of residence as private persons, are in the eyes of Germany persons possessing official attributes and having official duties to perform. Even without the assassination of Gustloff the Federal Council would have been obliged sooner or later to consider whether the central leadership and the branch leadership of the German National-Socialist Party in Switzerland could any longer be tolerated. The Davos tragedy caused the Federal Council to examine the question somewhat earlier; otherwise it might have been faced with a *fait accompli* by the nomination of a new central leader which would have made Switzerland's task all the more difficult.

Thereafter, on the 7th May at Basle, an agent of the Secret State Police of the Reich was arrested on a charge of conspiring against the safety of the Swiss Confederation; and two men were sentenced on the same charge at Zürich on the 26th September. On the 19th August it was announced that the Government of the Canton of Basle had unconditionally dismissed from the professorial chair of pathological anatomy in the University of Basle a Reichsdeutsch subject, Dr. von Gerlach-Syffert, because he had persisted, in spite of repeated warnings, in conducting Nazi propaganda among his Swiss students.

The decision taken by the Swiss Federal Council on the 18th February, 1936, had repercussions in the Netherlands. At the beginning of March a question regarding the exercise of control over the political activities of foreign residents was asked in the Chamber of Deputies at The Hague; but in answer the Dutch Government were able to refer to earlier statements in which they had made known the measures which they had already taken.[1]

The public as well as the Government in both the Netherlands and Switzerland were particularly sensitive at this time to Nazi activities among the Reichsdeutsch strangers in their midst, because in both countries there was some fear that these activities might have a secret and sinister strategic aspect. While there was no prospect whatever of the Dutch or the Swiss becoming converts to the Hitlerian faith, it was not inconceivable that their respective fatherlands might be trodden into war-paths by Reichsdeutsch armies bent once again upon an invasion of France and tempted to turn the flanks of the Maginot Line and its Belgian

[1] For the Nazi agitation among the Reichsdeutsch residents in the Netherlands after Herr Hitler's advent to power in the Reich, see the *Survey for 1933*, pp. 173–4.

prolongation in preference to trying to storm it in a frontal attack. If Germany were to try to treat either Switzerland or the Netherlands, or both of them, upon the outbreak of another European war, as she had treated Belgium in 1914, then the presence in the victim-countries of a highly organized and well prepared Reichsdeutsch colony might be as conducive to the accomplishment of the aggressor's designs as it would be inimical to the defence of the invaded country.

There was one German-speaking territory outside the frontiers of the Reich which does not appear to have been a field of Reichsdeutsch propaganda activities at this time, and that was Alsace. On the other hand, in the capital of France, the third anniversary of the establishment of the Nazi régime in Berlin was celebrated on the 30th January, 1936, by the opening of a Brown House *in partibus Gallorum* for the benefit of the Parisian German Nazi community. Behind the bulwark of the Maginot Line the French could afford to take this piquant gesture calmly; and *a fortiori* those peoples who were insulated from the Reich by a strip of sea were sluggish in their reaction to Reichsdeutsch propaganda activities. The Swedish Government did, it is true, go the length, in January 1936, of expelling from Sweden three Reichsdeutsch residents who had been occupying themselves in this way—a step to which the German Government retorted by expelling three Swedish residents from the Reich. In the House of Commons at Westminster on the 22nd June, 1936, in reply to a question whether, 'in granting permits to enter this country to Germans known to be supporters of the present régime, the same care was taken in regard to their not taking part in any propaganda in Great Britain, and to seeing that any promise was observed, as was shown by his Department in regard to refugees from German Fascism', the Under-Secretary to the Home Office replied that it was 'not the practice to interrogate foreign visitors about their political opinions any more than about their religious beliefs. If His Majesty's Government' had 'reason to suppose that a foreigner's object in coming to this country' was 'to promote disorder or engage in unlawful or unconstitutional activities, that would be considered ground for refusal of admission. In administering this policy there' was 'no discrimination between the opponents and supporters of German National Socialism'. In reply to another question in the same place on the 23rd November, the same Minister referred to the existence of a branch of the German National-Socialist Party in the United Kingdom and observed that 'its ostensible purpose' was 'to promote the social and cultural welfare of German nationals' in that country. In New York on the 21st February, 1936, a Supreme Court Judge, Mr. Justice Aaron J. Levy, refused to approve the incorporation of a Nazi organization under the name of the General von Steuben Bund on the ground that a bona fide Steuben Society was in existence already[1] and that 'a society

[1] F. W. A. H. F. von Steuben (*vivebat* 1730–94) was a Prussian officer who had the distinction of serving under George Washington as well as under Frederick the Great. He volunteered for service on the side of the insurgents in the American Revolutionary War, and his military experience proved of great value to their cause. Thereafter he became a citizen of the United States, and ended his days there. 'General von Steuben did not squint when he looked at his adopted land', said Mr. Justice Levy on the occasion here recorded.

may well conceal its true object while expressing its purpose in acceptable, or at least innocuous, form.'

The English-speaking countries, both in Europe and overseas, were manifestly unpromising fields for Nazi propaganda; on the other hand, the Spanish-speaking and Portuguese-speaking countries might seem to offer distinctly favourable prospects. By the close of the year 1936 'the Third Reich' was seeing eye to eye—if not working hand in glove—with a Fascist Portugal in giving countenance and support to an 'anti-Red' insurrectionary movement in Spain.[1] And it was not only in the Iberian Peninsula that the Nazidom of the Reich was making headway. It was also by this time a factor to be reckoned with in the life and politics of Latin America.[2] In each of the three principal Latin-American republics—Brazil, Argentina and Chile—there was a large German element in the population which was not merely in evidence in cities but was also firmly established on the land. These German minorities had for the most part become converts to the Nazi creed; and this ideological uniform promised to enhance their influence in their adopted countries by rallying to them all the non-German elements in these countries that had Fascist proclivities. The position of the German Nazi minorities in these three Latin-American republics was thus analogous to the position of their kinsmen and comrades in Hungary and Rumania and Estonia[3]—but with this regional advantage, that the German Nazi movement had not to reckon with the same opposition in Latin America as in South-Eastern Europe because in Latin America there was no question—or at any rate none in the immediate future—of local Nazi activities paving the way for the establishment of anything in the nature of a hegemony on the part of 'the Third Reich'. The Latin-American republics could afford to tolerate these activities thanks to the existence of the Monroe Doctrine. Yet there was perhaps one aspect of Nazidom in Latin America which might give some food for thought to the Government at Washington. Under the political conditions of the age, the Monroe Doctrine could only be maintained as far as it could be shifted from its original basis of a hegemony exercised by the United States on to a new basis of Pan-American co-operation; and Pan-American co-operation in its turn could only be maintained on the basis of a certain community of outlook between the Latin-American republics and their 'Anglo-Saxon' American partner. It remained to be seen whether this necessary minimum of Pan-American solidarity would survive if the Latin-American peoples were to renounce the lip-service which they had hitherto paid to the ideals of Bourgeois Parliamentary Democracy and were to avow an allegiance to one or other of the new-fangled ideologies from the other side of the Atlantic.

[1] This will be dealt with in the *Survey for 1937*.

[2] See an interesting article on this subject in *The Times*, 26th September, 1936.

[3] See p. 43 above.

(ii) The London Naval Conference, 1935–6.

(a) Introductory

The Conference on the Limitation of Naval Armaments which took place in London from the 9th December, 1935, to the 25th March, 1936, was in session while the crisis that had been created by Italy's invasion of Abyssinia[1] was at its height; and in those inauspicious circumstances the proceedings of the Conference attracted less public interest than would no doubt have been shown if the discussion of naval problems had not been thrown into the shadow by the Abyssinian conflict. Indeed, many observers and some at least of the participants in the Conference had anticipated that it would end in a complete break-down; and it was therefore natural that those who had been concerned in the discussions should be inclined to congratulate themselves upon their success in concluding an agreement which would, they hoped, check the danger of a new 'qualitative' competition in naval armaments, rather than to deplore the fact that the new treaty compared unfavourably in respect of 'quantitative' limitation with the treaties which it was to replace. As the leader of the American delegation, Mr. Norman Davis, put it at the final meeting of the Conference on the 25th March: 'If we bear in mind the world-situation when the Conference opened, and the critical developments which have occurred during the course of those deliberations, it becomes evident that we have accomplished far more than most, if not all of us, anticipated.' Mr. Davis struck this note again in a statement which he made to the press on his arrival in New York about a week later, and on that occasion he also confessed that he 'never went on any mission with such trepidation and less enthusiasm'.

The spirit of pessimism in which the American and other delegates entered upon their labours in London in December 1935 was partly explained by the fact that one of the parties to the Conference was engaged in a flagrant act of aggression and that two others were taking part in measures which were designed to prevent the successful accomplishment of that act; but the main ground for despondency was that the preliminary negotiations which had been going on during the past two years had revealed the full extent of certain fundamental differences of policy between the Naval Powers without opening up any prospect that policies would be modified to the extent that would make a general agreement possible. If the Italo-Abyssinian crisis had been the only obstacle in the way of a naval agreement, it might perhaps have been possible to postpone the Conference

[1] See the *Survey for 1935*, vol. ii.

until the crisis had been solved in one way or another—in spite of the provisions of both the Washington and the London Naval Treaties, which called for the assembly of a new Conference between the Principal Naval Powers before the end of 1935.

The Five-Power Naval Treaty which had been signed at Washington on the 6th February, 1922, as part of a comprehensive settlement of Pacific questions[1] had imposed limitations upon the numbers and size of the capital ships and aircraft-carriers of the contracting parties, who had agreed to restrict their strength in capital ships[2] in the ratio of 5 for the United States and Great Britain, 3 for Japan and 1·75 each for France and Italy; and it had also provided for the maintenance of the *status quo* in respect of fortifications and naval bases in the Pacific. Article 23 of this treaty stipulated that it should remain in force in any case until the 31st December, 1936, but that it might be terminated on that date by any contracting party which gave notice before the end of 1934; and in that event the signatory Powers agreed to meet in conference within a year of the notice of termination being given. This provision was brought into effect by the action of the Japanese Government, who denounced the Washington Naval Treaty on the 29th December, 1934.[3]

The London Naval Treaty of the 22nd April, 1930,[4] which extended the ratio system to the other categories of warships as far as concerned the United States, Great Britain and Japan (but not as far as concerned France and Italy), and which also provided for the postponement of capital ship replacement, was due to expire in any case on the 31st December, 1936;[5] and Article 23 laid it down that unless the contracting parties 'should agree otherwise by reason of a more general agreement limiting naval armaments', they should 'meet in conference in 1935 to frame a new treaty to replace and carry out the purposes' of the London Treaty.

There was thus a double treaty obligation upon the Naval Powers

[1] See the *Survey for 1920–3*, Part VI, section (iv).

[2] The ratios of 5 : 5 : 3 for the United States, Great Britain and Japan were also to be observed for aircraft-carriers, but the ratio for France and Italy was slightly higher in this category (2·2).

[3] See p. 75 below.

[4] See the *Survey for 1930*, Part I, section (ii).

[5] Except for Part IV of the Treaty, which contained a declaration regarding the use of submarines in war-time which was to remain valid in perpetuity, and certain provisions relating to aircraft-carriers, which were to remain in force for the same period as the Washington Treaty. France and Italy signed all of the five parts of the treaty except Part III, which allocated the tonnage of cruisers, destroyers and submarines between the United States, Great Britain and Japan; but as they did not ratify their signatures the treaty never came into force as far as they were concerned.

to meet around a conference table in the course of the year 1935; and apart from this formal aspect of the matter none of the Governments concerned could afford to look with equanimity upon the prospect that the expiry of the Washington and London Treaties at the end of 1936 might be followed by a 'treatyless period' of unrestricted naval competition. This consideration was felt with special force by the British Government, which took the initiative in summoning the London Conference of 1935–6, for the reason that the British Empire represented the connecting link between the two interlocking groups of Naval Powers—the 'Oceanic' or Pacific group and the European group—and was thus liable to be involved in naval competition in two spheres simultaneously.

In 1922 and again in 1930 the European group of Naval Powers had consisted only of Great Britain, France and Italy, but by the year 1935 the exclusive right of these three states to the title of Principal Naval Powers was being effectively challenged by Germany. Before the London Conference met, the British Government had taken independent steps to deal with the naval side of the menace of Germany's resurgence; but the Anglo-German naval agreement of June 1935,[1] while it did reduce the danger that Germany might initiate a new naval race, also introduced a new complication by arousing French suspicions of British motives. A simultaneous revival of rivalry in naval building between France and Italy[2] and development of hostility between Great Britain and Italy[3] added still further to the difficulties of the European aspect of the naval problem. In regard to the Pacific aspect of the problem, the governing factor was the rigid insistence of the Japanese Government upon the necessity of putting an end to the 'unequal status' which Japan had accepted at the Washington Conference. The Japanese plan for what was termed a 'common upper limit' was rejected by the Government of the United States, who refused to grant Japan the right to naval parity, and it was also inacceptable to the members of the British Commonwealth of Nations and to France and Italy. It was Japan's insistence on this plan, coupled with the opposition of France and Italy to any form of 'quantitative' limitation, that led the Naval Powers represented at the London Conference to abandon the attempt to prolong or replace the provisions which had been incorporated in the Washington and London Treaties, and to fall back upon measures for 'qualitative' limitation and for publicity.

[1] See the *Survey for 1935*, vol. i, Part I, section (vi) (*i*).
[2] See pp. 61–2, 67, 77, below.
[3] See p. 84 below.

(*b*) The Position in the First Half of 1934

The Washington settlement of 1921–2, which had regulated the relations of the Great Powers in the Pacific area, had suffered its first breach in the autumn of 1931, when Japan took the military action in Manchuria which led to the establishment of the Japanese puppet-state of 'Manchukuo'.[1] This action was a flagrant infringement of the Washington Nine-Power Treaty of the 6th February, 1922, whereby the contracting parties had bound themselves 'to respect the sovereignty, the independence, and the territorial and administrative integrity of China'; and the Government of the United States made it clear that, in their view, the Washington settlement was an integral whole, and that if one part of the structure were destroyed there was no reason why the other parts should remain intact.

> This treaty [wrote Mr. Stimson,[2] who was at that time Secretary of State of the United States] was one of several treaties and agreements entered into at the Washington Conference by the various Powers concerned, all of which were interrelated and interdependent. No one of these treaties can be disregarded without disturbing the general understanding and equilibrium which were intended to be accomplished and effected by the group of agreements arrived at in their entirety. The Washington Conference was essentially a disarmament conference aimed to promote the possibility of peace in the World not only through the cessation of competition in naval armament but also by the solution of various other disturbing problems which threatened the peace of the World, particularly in the Far East. These problems were all interrelated. The willingness of the American Government to surrender its then commanding lead in battleship construction and to leave its positions at Guam and in the Philippines without further fortification, was predicated upon, among other things, the self-denying covenants contained in the Nine-Power Treaty, which assured the nations of the World not only of equal opportunity for their Eastern trade, but also against the military aggrandisement of any other Power at the expense of China. One cannot discuss the possibility of modifying or abrogating those provisions of the Nine-Power Treaty without considering at the same time the other premises upon which they were really dependent.

This threat that the United States might resume its freedom not only in the matter of naval building but also in the matter of fortifications and naval bases in the Pacific had no immediate sequel in action, and it was not until Mr. Roosevelt had succeeded Mr. Hoover as President

[1] See the *Survey for 1931*, Part IV, section (iii) (*b*); the *Survey for 1932*, Part V, sections (ii)–(iv).

[2] In a letter, dated the 23rd February, 1932, to Senator Borah, the Chairman of the Foreign Relations Committee of the United States Senate. For Mr. Stimson's letter and the whole question of the American attitude to the Japanese action in Manchuria, see the *Survey for 1932*, Part V, section (iv) (*b*).

of the United States in March 1933 that steps were taken even to build the American Navy up to the level permitted by the Washington and London Treaties.[1]

In Japan, the spirit which had inspired the Manchurian adventure was reflected also in naval policy during the years 1932–4. The naval authorities insisted upon the carrying out of the maximum building programmes which were compatible with the terms of the Washington and London Treaties, in spite of the heavy burdens which those programmes imposed upon an already seriously strained exchequer.[2] In 1933 a naval 'Replenishment Programme' was adopted which provided for the construction over a period of three years of 33 vessels, including two cruisers of 8,500 tons and two aircraft-carriers of 10,000 tons. The completion of this programme in 1936 would bring the Japanese Navy up to full treaty strength. Japanese naval circles had never reconciled themselves to the 'unequal status' imposed upon Japan by the Washington Treaty, and although the Japanese Government had accepted an extension of the ratio system when they signed the London Treaty of the 22nd April, 1930, they had done so in the face of strong opposition from the Navy and their action had provoked an acute political crisis.[3] The position which Japan occupied under the Naval Treaties was considered by Japanese naval officers to be incompatible with their conception of the part which their country was called upon to play in world affairs, and when the fighting services succeeded in gaining control over foreign policy it became practically a foregone conclusion that Japan would refuse to agree to the prolongation of the ratio system after the Washington and London Treaties expired on the 31st December, 1936. In May 1933 the Japanese Government gave an indication of their intention to raise the question of naval parity with the United States and Great Britain when, at a meeting of the General Commission of the Disarmament Conference at Geneva, they proposed the deletion of an article in the draft Disarmament Convention providing for the maintenance of the limitations imposed upon the signatories of the Washington and London Treaties.[4] During the first six months of 1934 the Japanese claim to naval parity was brought to the notice of other interested states by methods similar to those which were used during the same period in the formulation of the so-called

[1] See the *Survey for 1933*, pp. 541–2, and the present volume, pp. 55–7 below.
[2] See the *Survey for 1932*, p. 430; the *Survey for 1933*, pp. 471–2; the *Survey for 1934*, p. 643.
[3] See, for example, E. E. N. Causton: *Militarism and Foreign Policy in Japan* (London, 1936, Allen & Unwin), especially chapter v.
[4] See the *Survey for 1933*, p. 285.

Japanese 'Monroe Doctrine' for Eastern Asia.[1] Towards the end of January 1934, for instance, the Japanese Naval Minister, Admiral Osumi, informed a questioner in the Diet that Japan intended to demand a bigger Navy at the next Naval Conference. In the middle of April, Admiral Osumi gave an interview to the press[2] in which he declared that the ratio principle had proved unsatisfactory in practice, and had aggravated international relations. Japan was therefore 'firmly determined to defeat this principle in favour of the establishment of the right of equality in armaments'. The naval authorities were studying the question of a formula to replace the ratio principle, and one proposal which was under consideration was that of a 'common upper limit' for naval armaments with freedom for each Power to allocate its total tonnage allowance to the types of ships best suited to its own needs.[3] Admiral Osumi added that no decision had yet been reached on the question whether Japan should take the initiative in denouncing the Washington Treaty. Ten days later the Japanese Ambassador in Berlin, Mr. Nagai, made a statement to the press on his Government's foreign policy in which he declared that the disparity in naval armaments would have to be removed, since Japan must have guarantees for her national security and since permanent peace could only be attained through equality of rights.

From these official statements and from the comments on the naval situation in the Japanese press it appeared that considerations of prestige were uppermost in Japanese minds, but the argument that the maintenance of the ratio system would endanger Japanese security was also put forward. According to this line of reasoning, recent

[1] See the *Survey for 1934*, pp. 646 *seqq*. Japanese publicists made a good deal of play with the analogy which they drew between Japan's claim to hegemony over Eastern Asia and the American Monroe Doctrine, but the analogy would hardly stand close examination. However much the 'dollar diplomacy' which had grown up on the foundation of the doctrine enunciated by President Monroe might be resented by the Latin-American states which suffered from it, the United States could plead that the intervention of American marines in Caribbean countries had not been undertaken as part of a deliberate programme of aggrandizement and that it had not been permanent. (For the change in the policy of the United States towards Latin America which had set in before Japan formulated her 'Monroe Doctrine', see the *Survey for 1930*, Part V, section (i)).

[2] See *The Japan Chronicle*, 19th April, 1934.

[3] The relative advantages of the methods of limitation by 'global' tonnage and limitation by categories had been debated at length at the meetings of the Preparatory Commission for the Disarmament Conference and at the London Naval Conference (see the *Survey for 1927*, pp. 8, 15–16; the *Survey for 1928*, pp. 57–8, 77; the *Survey for 1929*, pp. 35–8; the *Survey for 1930*, pp. 39–41, 66–8). France had hitherto been the leading supporter of global tonnage.

technical improvements in naval construction and in the air (more particularly the extension of the cruising radius of warships and the development of arrangements for carrying aircraft on cruisers as well as on specially designed aircraft-carriers)[1] had produced a radical change in the situation by reducing the degree of immunity from attack which the self-denying ordinance regarding bases in the Pacific had been designed to confer upon Japan. It was also claimed—for instance, by the 'spokesman' of the Japanese Naval Ministry on the 20th June, 1934—that the additional responsibilities which Japan had undertaken in connexion with the defence of 'Manchukuo' justified an increase in her naval forces.

The use of this last argument strengthened the suspicion which was felt in other countries regarding Japan's motives in putting forward her claim to naval parity. It looked as though Japan, having violated the letter and the spirit of the Washington Treaties in 1931, was now demanding the right to parity in naval strength in order to make herself strong enough to carry out her imperialistic plans without any risk of intervention by other Great Powers with interests in the Far East. American and British naval experts did not accept the contention that technical naval developments had altered the Washington balance to Japan's disadvantage; and it was perhaps a testimony to the sincerity of this opinion that Japan was allowed with impunity to carry out her operations in Manchuria from the autumn of 1931 onwards. If it was still a valid argument that the Washington ratios afforded Japan a greater degree of security than could ever be enjoyed by the British Empire with its world-wide lines of communication or by the United States with its two long coast-lines, it followed that if Japan was allowed to build up to parity with the United States and the British Empire she would not only be absolutely supreme in Far Eastern waters but would have a margin of strength which might tempt her to adventures farther afield. It was therefore not surprising that the reaction of the United States to the formulation of the Japanese claim to parity should have been prompt and energetic.

The beginning of the change in American naval policy which took place after Mr. Roosevelt's inauguration as President, and the Japanese response to it, have been described in an earlier volume of this series.[2] As is there recorded, the sum of $238,000,000 out of the

[1] According to an estimate which was made public at the beginning of March 1934, if the plans which were then under discussion in the United States were carried through, the American Navy would have over 1,200 ship-based aeroplanes at its disposal by the end of 1942.

[2] The *Survey for 1933*, pp. 541–4.

total expenditure on public works authorized by the National Industrial Recovery Act was allocated to the immediate construction of 32 warships; and before the end of the year 1933 Mr. Swanson, the Secretary for the Navy, had made recommendations for the adoption of a building programme which would bring the fleet up to full treaty strength. During the early months of 1934 the necessary steps to put Mr. Swanson's recommendations into effect were taken in the United States. A Bill providing for the construction of 102 new vessels on a five years' programme was introduced into the House of Representatives by Mr. Vinson, the Chairman of the Naval Committee, early in January 1934. The Bill passed the House of Representatives at the end of January, and the Senate on the 6th March, and it received the President's signature on the 27th March.[1] This programme would bring the American Navy up to treaty strength by the end of 1942, at an estimated cost of $570,000,000, and provision was also made for the construction of a large number of naval aircraft. When the President signed the Bill he was careful to make it clear that, although the new naval construction was now authorized, the necessary appropriations had not yet been made, so that the execution of any part of the programme could still be suspended in the event of a new agreement for the limitation of naval armaments.

American naval authorities were of course perfectly justified in pointing to the fact that the rate of building since the Washington Conference had been much slower in the United States than in either Japan or Great Britain, so that the American fleet contained a far larger proportion of over-age ships than the fleets of the other two great Naval Powers.[2] It was obviously true that the United States would be in an unfavourable position for bargaining at any future Conference unless energetic measures were taken to make up for the time that had been lost, and there was also the consideration that the acceleration of naval building would provide employment and would help industry. There appeared, however, to be little doubt that one of the most powerful motives in the minds of Mr. Roosevelt and his naval advisers was the desire to show Japan that her demand for naval parity would merely inaugurate a new race in naval armaments and that if such a race took place the United States was infinitely

[1] The Bill as finally approved provided for the construction of one aircraft-carrier, 65 destroyers, and 30 submarines. Six cruisers, bringing the total number of vessels to be constructed up to 102, had been authorized separately. The 32 ships of the 1933 programme included two aircraft-carriers and two 10,000-ton cruisers.

[2] See for example, an article by Mr. Vinson which was published in *The New York Times* of the 28th January, 1934. See also the *Survey for 1933*, p. 542.

better equipped than Japan to stay the course. Generally speaking, American naval experts were in favour of continuing the system established by the Washington and London Treaties with little or no modification, and their view was that if and when the Japanese Government put forward a formal demand for parity the United States Government ought to refuse to consider it, and to make it clear that it was their intention to build five ships to every three built by Japan if the existing treaties lapsed and were not replaced by a new agreement.

The tension between Japan and the United States which had made itself felt in the summer of 1933 had relaxed to some extent after the American Government had announced, in November 1933, its decision to withdraw the fleet temporarily from the Pacific,[1] and in February and March 1934 there was an exchange of conciliatory notes between Mr. Hirota, the Japanese Foreign Minister, and Mr. Cordell Hull, the United States Secretary of State.[2] During the spring of 1934, however, there were signs that a marked hardening of opinion was taking place in the United States, in response to the Japanese pronouncements on the so-called Monroe Doctrine for Eastern Asia and on naval parity. On the 23rd May, 1934, for instance, Mr. Swanson, who was a strong advocate of the maintenance of existing ratios, told press representatives that he saw no need to change the arrangements which had been made at the Washington and London Conferences; and he added, in reply to a direct inquiry, that the question of fortifications in the Pacific would be considered if Japan were to build in excess of existing treaty limits.

Although the peculiar vulnerability of British possessions in the Far East made it no less difficult for the British Empire than for the United States to agree to a change in Japan's relative naval strength, the Japanese Government's notification of their intention to demand parity provoked less outward display of concern in naval circles in Great Britain than in the United States. While the British naval authorities agreed with their American confrères in thinking that Japan's demand was not justified by any change in circumstances and that it could not be accepted, they considered that it would be advisable to explore the possibility of reaching agreement on a new method of quantitative limitation from which the ratio system would be eliminated. In the spring of 1934, the break-down of the attempt to limit or reduce armaments by general agreement was virtually certain, and the British Government were aware that in all probability

[1] See the *Survey for 1933*, p. 542.
[2] See the *Survey for 1934*, p. 662.

they could not defer much longer a decision to rearm on land and in the air.[1] This knowledge provided them with an additional incentive to avoid a situation in which they might be forced to maintain by building the degree of naval superiority over Japan which was considered to be essential. Their attitude was also coloured by the fact that British naval experts did not share the American view that it was desirable to renew the Washington and London Treaties in their entirety. The crux of the situation from the British Admiralty's point of view was the question of cruiser strength. At the abortive Naval Conference which was held at Geneva in 1927,[2] the British representatives had refused to abandon the standpoint that seventy cruisers represented the minimum number which would meet the 'absolute' needs of the British Empire. In 1930, at the London Conference, this claim was temporarily waived, and parity with the United States was established on a tonnage basis which would, for the period of the treaty, allow the British Empire to possess fifty cruisers, and the United States a somewhat smaller total number but a higher proportion of the larger type of cruiser.[3] It was explained at the time,[4] however, that, while the improvement in the international situation resulting from the signature of the Briand-Kellogg Pact for the Renunciation of War was held to justify this change in British policy as a temporary measure, the reduction of the British demand for cruisers must not be considered to bind the Government to acceptance of the lower number as a permanently satisfactory arrangement. By the year 1934 the British Admiralty had become convinced that the cruiser strength allotted to Great Britain by the London Treaty was inadequate to guarantee British security in the changed international situation, and they had therefore reverted to the position which they had occupied in 1927.[5]

[1] See the *Survey for 1935*, vol. i, Part I, sections (ii) and (iii).

[2] See the *Survey for 1927*, Part I, section (iv).

[3] See the *Survey for 1930*, pp. 32, 44, 58–9. While British naval opinion preferred what was known as the 'B' type of cruiser, armed with 6-inch guns, the heavier 'A' type, with a maximum tonnage of 10,000 tons and 8-inch guns, was still favoured by the American naval authorities in 1930.

[4] A statement to this effect was made by the Prime Minister, Mr. Ramsay MacDonald, in the House of Commons on the 15th May, 1930. Mr. MacDonald explained that 'the Admiralty's position was that, under international conditions such as they exist to-day, the number of 50 cruisers could be accepted for a strictly limited period, provided always that other Powers met our standard of 50, and provided that in our number . . . there is a proper proportion of new construction suitable for extended operations.'

[5] The debates in the House of Commons in March 1934 on the naval estimates showed that there was widespread anxiety in regard to British cruiser strength. In introducing the estimates, the First Lord of the Admiralty announced that the Government's programme would result in the attainment

Another change which the British naval authorities would have liked to see in the treaty arrangements was in regard to the maximum tonnage of battleships. The maximum had been fixed by the Washington Treaty at 35,000 tons, and although battleships of this size still had some supporters in Great Britain, British naval opinion as a whole was inclined to favour a considerable reduction in the maximum tonnage figure—a measure which would certainly make for economy, and which, it was argued, would not affect the relative strength of the Powers if they all accepted it. At the Geneva and London Conferences proposals to this effect had received support from Japan, but had met with opposition from the United States.[1] The preference of the United States Government for the larger types of warships was explained on the ground of their relative lack of naval bases, which, it was claimed, made it necessary for their battleships and cruisers to possess a wider cruising radius than was required by the British fleet, with bases at its disposal all over the world.[2] The American attitude on this question had not undergone any change during the years following the London Conference, and the prospect that the authorities in the United States might yet be persuaded to accept a lower maximum tonnage for battleships was not improved by developments in the European naval situation during the year 1934.

In 1930, the core of the European naval problem had been the question of Franco-Italian parity. At the Washington Conference, France and Italy had accepted (though with reluctance) a ratio for capital ships which placed them on a footing of inferiority to the other Powers and equality with one another in this category, but France had consistently refused thereafter to accept Italy's claim to parity in all classes of vessels. In 1927 the two Powers had refused the invitation to attend the Conference at Geneva,[3] and in 1930 their

by the end of 1936 of the full treaty strength in all categories except destroyers, which would be 60,000 tons short of the permitted total. For some time it had been the policy to delay—sometimes for as long as two years—the laying down of some of the vessels for which provision was made in the annual Budget; but early in June 1934 it was announced that there would be no similar delay that year, and that the placing of contracts for new ships belonging to the programmes for 1933 and 1934 would begin in August or September. The programmes included three cruisers of 9,000 tons, one smaller cruiser, and one aircraft-carrier.

[1] See the *Survey for 1927*, pp. 46, 49–51; the *Survey for 1930*, pp. 32, 44, 49, 65.

[2] In regard to battleships, advocates of the 35,000 ton type also argued that only a vessel of this tonnage could fulfil the technical conditions in such matters as armour plating which were required if capital ships were to be able to meet attacks from the air.

[3] See the *Survey for 1927*, pp. 36–7.

failure to come to terms with one another had prevented them from signing Part III of the London Treaty, which defined the strength of the Pacific Naval Powers in cruisers, destroyers and submarines.[1] After the London Conference had come to an end, negotiations had continued between Great Britain, France and Italy, but these had broken down in the spring of 1931, owing to differences in the interpretation of a provisional agreement which had been reached on the 1st March, 1931.[2] Further attempts to find a solution for the Franco-Italian problem were made from time to time on the fringe of the meetings of the Disarmament Conference which began in February 1932;[3] and, although these produced no concrete result, a gradual improvement in Franco-Italian relations in general made the danger of leaving the naval question unsettled appear less acute. During the years 1931–3 the Governments of France and Italy did, in fact, refrain from serious competition with one another in naval building, and although Italy laid down keel for keel with France in the cruiser class she did not attempt to outbuild her rival. It was not until the summer of 1934 that the danger of Franco-Italian competition became again acute, as a result of the Italian Government's decision to lay down two battleships.[4]

Meanwhile, a new factor had been introduced into the situation by the resurgence of Germany. Even before the London Conference was held, the German Government had caused great perturbation in naval circles in other countries by designing a 'pocket battleship'—an armoured cruiser of 10,000 tons which was technically within the limits imposed upon Germany by the Versailles Treaty but which was more formidable than any warship of the same tonnage in the possession of any other Power.[5] The first of these armoured cruisers, the *Deutschland*, was launched in March 1931, and two more were laid down between 1931 and 1933. With the departure of Germany from the Disarmament Conference in October 1933[6] and the break-down of the subsequent negotiations in April 1934,[7] it became obvious that it would only be a question of time for Germany to throw off all the shackles of the disarmament chapter of the Versailles Treaty, and that she might therefore appear in the not far distant future as a

[1] See the *Survey for 1930*, pp. 47–8, 50–2, 55–6, 60–1.
[2] See the *Survey for 1931*, Part II, section (iv).
[3] See the *Survey for 1932*, pp. 221–2, 225, 291–2.
[4] See below, pp. 61–2.
[5] See the *Survey for 1929*, pp. 60–3; the *Survey for 1930*, pp. 48 and 65 *n.*; the *Survey for 1931*, pp. 32, 80, 276–7, 288 *n.*; the *Survey for 1932*, p. 227 *n.*
[6] See the *Survey for 1933*, Part II, section (iii) (*d*).
[7] See the *Survey for 1935*, vol. i, Part I, section (ii).

competitor in a new naval race. This prospect was alarming not only to Great Britain, France and Italy, but also to states like Poland and the U.S.S.R. which were not reckoned among the leading Naval Powers of the world and whose fleets were therefore not subject to treaty restrictions. By the middle of 1934 the Soviet Government were showing considerable interest in naval questions, and there were reports—which were not the less disturbing because of the lack of official information on the subject—that the U.S.S.R. had embarked upon an intensive programme of submarine-building.

At the time of the London Conference, both France and Italy had in hand a 'credit' of 70,000 tons out of the 175,000 tons which the Washington Treaty allowed them to use for the replacement of battleships; and Part I of the London Treaty, which provided that the replacement of capital ships should be postponed until after the end of 1936, contained a reservation permitting France and Italy to use their Washington credit during the period of validity of the London Treaty.[1] Moreover, France had an additional 35,000 tons at her disposal, owing to the fact that she had refrained from replacing a battleship, the *France*, which had been lost in 1922. In 1931 the French Government decided to take advantage of these circumstances in order to reply to Germany's 'pocket-battleship'. Authorization was obtained from Parliament for the laying down of a battle-cruiser which would outclass the *Deutschland*,[2] and although action on this item in the French naval building programme was delayed in deference to the forthcoming Disarmament Conference, a battle-cruiser of 26,500 tons, the *Dunkerque*, was laid down in 1932.[3] When this French project for a new capital ship was first announced, there was a good deal of anxiety lest it should provoke Italy into laying down a battleship equal or superior to the *Dunkerque* in tonnage and armaments, but the Italian Government made no move either when the *Dunkerque* was authorized or when it was laid down. In March 1934 the French Government announced their intention of laying down a second battle-cruiser of 26,500 tons, the *Strasbourg*. This decision was followed in April by the break-down of the attempt to remove the obstacles which were preventing the resumption of the work of the Disarmament Conference; and in May by the announcement of a drastic change in Italian naval policy. Early in May it became known that a large expansion in the Italian naval building programme for the next five years had been decided upon in Rome,

[1] See the *Survey for 1930*, pp. 47–8, 65.
[2] See the *Survey for 1931*, pp. 276–7.
[3] See the *Survey for 1932*, p. 286.

and on the 26th May Signor Mussolini told the Chamber that an extraordinary grant of one milliard lire would be made for new naval construction. He added that it was the Government's intention to make use of the 70,000 tons which remained over from the Washington allotment of tonnage for battleships. Within the next fortnight came the semi-official announcement that the tonnage was to be used for building two units of the maximum size permissible under the treaties—that is, two ships of 35,000 tons each.

Italy was undeniably acting within her treaty rights in taking this course, but it was not surprising that her decision in favour of the maximum unit of battleship tonnage should have been taken amiss in other countries. No warships of this size had been built since Great Britain had laid down the *Nelson* and the *Rodney* after the Washington Conference, and by the time when the new Italian battleships would be completed the *Nelson* and the *Rodney* would be approaching the age limit, if they had not already reached it. The Italian ships would therefore outclass any battleship in the possession of any other Naval Power, and it was hardly to be expected that the European Naval Powers would refrain from bringing their own strength in battleships up to the Italian level. There was a danger, indeed, that the Italian Government's decision might mark the starting-point of a race in which the maximum tonnage for battleships that had been fixed by the Washington Treaty might become the minimum; and even if this danger could be averted it was clear that the Italian building programme would put new and serious difficulties in the way of any attempts to secure an agreement for the reduction of the maximum tonnage of battleships below 35,000 tons or for the postponement of replacement beyond 1936.

The situation in Europe towards the middle of the year 1934 was therefore almost as discouraging for the prospects of a new agreement for the limitation of naval armaments as the situation in the Pacific; and, unless the Powers that were setting the pace could be induced to modify their policy at an early date, it seemed to be inevitable that a new era of naval competition would open in 1937. With the possible exception of the United States—where increased expenditure upon naval armaments was not incompatible with the Roosevelt Administration's economic policy—none of the Powers concerned was at all anxious to add the heavy cost of a naval race to its existing financial burdens,[1] and this fact appeared to offer some hope that an

[1] It was significant that financial considerations should have been pleaded by some Italian apologists in justification for the decision to construct two battleships of the maximum size. The argument was that Italy could not

agreement might be reached if the Naval Powers could be brought together for a discussion of their differences before they had gone too far along the road of rearmament for a halt to be called. Before the end of May 1934 the British Government had taken the initiative and had suggested that the Powers should begin without delay to prepare for the Naval Conference which was due to be held before the end of 1935 by entering into informal conversations *à deux*.

(c) Preliminary Conversations (June–December 1934) and the Japanese Denunciation of the Washington Treaty

In the last week of May 1934 it was announced that the British Government had invited the Governments of the United States, Japan, France and Italy to send representatives to London who could enter into bilateral discussions with the British Government on questions relating to the procedure to be followed in summoning a full Naval Conference and on technical aspects of the problems which would have to be considered by the Conference. In restricting the scope of the proposed preparatory conversations within these limits, the British Government were presumably hoping to avoid the appearance of forestalling the work of the Conference proper and at the same time to allay apprehensions, of which there had been recent signs in Japan, lest the question of Japan's position in Manchuria should be re-opened in the course of the examination of naval problems. It was obvious, of course, that in any consideration of the Japanese claim to naval parity Japan's past actions and her declared policy of dominating Eastern Asia would play a decisive part in determining the attitude of the other negotiators, whether political questions were on the agenda or not; and, indeed, in both the Pacific and the European naval problem, the political aspect overshadowed the technical aspect to an extent which made it highly improbable that any great progress could be achieved by means of discussions between naval experts. Nevertheless, in view of Japan's attitude, the suggestion that technical conversations should be held was felt to offer the best line of approach to the problem as a whole.

The British invitation to take part in preliminary conversations was accepted by the Governments of the United States and of Japan before the end of May. The Japanese reply, which was delivered on the 30th May, stated that 'the Japanese Government accepted the invitation . . . to hold preliminary conversations through the diplomatic

afford more than two battleships, and if she were to lay down vessels of a smaller type, she would be unable to reply to any Power which might subsequently outbuild her.

channel on questions of procedure and technical questions in advance of the Naval Conference to be held in 1935'. The acceptance of the invitation by the Italian Government was notified to the British Government in the middle of June, and the French acceptance a few days later.

The first of the proposed series of bilateral conversations to be arranged was between the American and British Governments. Mr. Norman Davis, who had acted as the principal representative of the United States at the meetings of the Disarmament Conference in Geneva, arrived in London in the middle of June. He was accompanied by Rear-Admiral Leigh; and the American Ambassador in London, Mr. Bingham, was also present at the first Anglo-American meeting, which took place on the 18th June. On the British side, the principal representatives were the Prime Minister (Mr. Ramsay MacDonald) and the First Lord of the Admiralty (Sir Bolton Eyres Monsell). Thus the personnel on both sides was such that the wider aspects of the naval problem could be discussed at need without enlarging the delegation,[1] but in point of fact the existing differences between the British and the American point of view, so far as they affected naval relations between the British Empire and the United States, were of a technical rather than a political nature. It has been mentioned that the Government of the United States were in favour of the renewal of the Washington and London Treaties more or less as they stood, whereas the British Government were anxious to see a decrease in the size of battleships and an increase in the number of cruisers allotted to the British Empire. No official information regarding the nature and outcome of the Anglo-American conversations was made public, but according to reports in the press, which were not contradicted, suggestions for reducing the size of battleships to 25,000 tons and increasing the number of British cruisers to seventy were put forward on the British side and were sent on by the American representatives to Washington, where they were not well received. The conversations continued for some five weeks and were then suspended. Before his departure for the United States on the 19th July, Mr. Norman Davis told a reporter that there had been no break-down in the Anglo-American negotiations, which had been

[1] The Japanese press published a report to the effect that the British and American Governments had given a definite undertaking that political questions should not be discussed in the London conversations, and implied that this would hold good for the full Conference as well as for the preparatory negotiations. Mr. Norman Davis stated after his return to the United States that there was an Anglo-American understanding of this kind, but that it applied only to the preliminary conversations.

'friendly and beneficial', but that it had been obvious from the beginning that discussions between Great Britain and the United States could not usefully proceed beyond a certain point without a contribution—or at any rate a definite declaration of policy—on the part of Japan.

The Japanese Ambassador in London, Mr. Matsudaira, had been kept informed of the progress of the Anglo-American conversations, and he had had several interviews with Mr. Ramsay MacDonald and with Mr. Norman Davis. His instructions from his Government had apparently laid most stress on the importance of excluding political questions from the discussions, and since Mr. Matsudaira was not competent to deal with technical naval problems, he was virtually restricted to playing the part of an observer. Early in July it was reported that a naval officer had been appointed to act as the Japanese representative in the preliminary conversations and that he would leave for London on the 12th July. This report, however, coincided with a change of Government in Tokyo, in which Admiral Okada succeeded Viscount Saito as Prime Minister. Admiral Okada was known as a strong supporter of the demand for a more powerful Navy,[1] and it was therefore not to be expected that there would be any modification in the policy of claiming naval parity; but the new Government notified London that they would require a little time for consideration and that a Japanese naval representative could not be expected in London until October. It was in these circumstances that the Anglo-American conversations were suspended and Mr. Norman Davis went back to the United States to consult his Government, on the understanding that he would return to London as soon as the Japanese were ready to begin negotiations.

Meanwhile, a second series of conversations—between France and Great Britain—had also taken place. At the beginning of July the French Government had made a conciliatory gesture by announcing that they did not intend to modify their naval programme in any way in reply to Italy's decision to lay down two 35,000-ton battleships. It would have been possible for France to follow suit to Italy without delay, for the battle-cruiser *Dunkerque* which was under construction, and the projected sister-ship the *Strasbourg*, would only use 53,000 tons out of the total of 105,000 tons which was at the disposal of France for battleship replacement before the end of 1936.[2] One vessel of 35,000 tons could therefore have been laid down at once and plans made for the construction of another in 1937 if the French Government

[1] See the *Survey for 1934*, p. 639.
[2] See p. 61 above.

had so desired. On the 1st July, however, the naval programme for 1934 was approved by the Chamber in its original form (which provided for the construction of the *Strasbourg*, one destroyer and two submarines), and Monsieur Piétri, the Minister for Marine, told a questioner that the Government had decided to adhere to this programme for the time being, in spite of the threatened expansion of Italy's fleet, because they did not wish to take the responsibility for a new race in armaments.[1] In the debate on the Naval Bill which took place in the Senate on the 6th July, Monsieur Piétri indicated that the question whether France would be obliged to revise her programme or not might be decided by the course of the conversations which were to take place in London.

Immediately after the French Naval Bill had passed the Senate, Monsieur Piétri accompanied Monsieur Barthou to London,[2] and between the 9th and the 12th July he had a number of conversations with Sir Bolton Eyres Monsell and other British representatives, and he also saw Mr. Norman Davis and Mr. Matsudaira. Official information regarding the Anglo-French discussions was again lacking, but Monsieur Piétri was believed to have shown himself conciliatory, particularly in the matter of the methods of limitation of naval armaments. He was understood to have indicated that the French Government might now be prepared to relax their insistence upon 'global' limitation and accept some form of limitation by categories. He was also said to have promised to support any British move in favour of smaller battleships. It was to be presumed that the questions which were uppermost in the minds of the French naval authorities—those of Italian and German naval policy—also came under discussion. The German problem might properly be examined under the heading of questions of procedure, for before the Naval Conference could be convened it would be necessary to decide whether invitations should be sent only to the signatories of the Washington and London Treaties or whether Germany, and possibly the U.S.S.R., should also be included. According to the press reports, this matter was treated with great reserve in these preliminary Anglo-French conversations.

Up to the middle of July Italy had not taken even a passive part in the discussions, and although it was announced in the last week of July that a naval expert would be going to London very shortly, it was explained at the same time that his mission would merely be

[1] The French Government were reported to have been influenced by the doubt whether the state of Italy's finances would allow her to carry out the programme which she had announced.

[2] For Monsieur Barthou's visit to London, see the *Survey for 1935*, vol. i, pp. 64 *seqq.*

to ascertain the result of the bilateral conversations so far as they had proceeded. The Italian expert, Captain Raineri Biscia, arrived in London on the 28th July, and when he left for Rome on the 3rd August it was announced that he had been 'frankly informed of the course of the conversations' which had already been held, that he had 'explained the Italian Government's point of view', and that it was intended that the Anglo-Italian conversations should be resumed in the autumn. This intention was not put into effect, however, and instead of sending a naval representative to London again Signor Mussolini let it be known towards the end of August that two Italian battleships, each of 35,000 tons, would be laid down on the 28th October, 1934, the anniversary of the Fascist March on Rome. On the date indicated two battle-cruisers of 35,560 tons, the *Vittorio Veneto* and the *Littorio*, were duly laid down in Italian shipyards.

In the interval between the suspension of the Anglo-American discussions in the middle of July and the arrival of Japanese and American representatives in London to resume the negotiations towards the end of October, the Government of the United States made a suggestion which was designed to combine a saving of expense with the maintenance of the existing ratios. This American contribution was made by Mr. Swanson on the 1st August, when he advocated an all-round reduction of 20 per cent. in naval armaments. This proposal for quantitative reduction was on the same lines as the plan for a one-third reduction in all armaments which President Hoover had laid before the Disarmament Conference at Geneva in June 1932,[1] and it seemed only too likely that Mr. Swanson's suggestion would suffer the same fate as the Hoover Plan. The Secretary for the Navy made it plain that he was as strongly opposed as ever to any alteration of ratios as between the United States and Japan,[2] and reports from Japan indicated that there was not the slightest chance that the Japanese Government would abandon the claim to parity.

During the summer months the plan which the Japanese Govern-

[1] See the *Survey for 1932*, pp. 240 *seqq*.

[2] It was also significant that, three weeks after Mr. Swanson made his suggestion of a 20 per cent. cut, the Assistant Secretary for the Navy, Mr. Henry Roosevelt, awarded contracts for 24 of the vessels the construction of which was authorized by the Vinson Bill. The ships ordered were four 10,000 ton cruisers (one with 8-in. and three with 6-in. guns), two flotilla leaders, twelve destroyers and six submarines. A week later the building programme for 1935–6, providing for the construction of another instalment of twenty-four ships, received Mr. Swanson's approval; and on the 19th September Mr. Henry Roosevelt, in a broadcast speech, announced once more the Government's intention to bring the Navy up to the full treaty strength.

ment intended to present for the consideration of the other Naval Powers was outlined in the Japanese press. From these press articles it appeared that while Japan's fundamental object was the attainment of parity, the Government would prefer to attain it at a level which would not strain their finances too highly, and they were therefore in favour of fixing a 'common upper limit' in terms of total tonnage, which would enable them to concentrate on the types which they considered best suited to their own needs. As an additional guarantee of their supremacy in Eastern Asia they advocated the abolition or drastic reduction of those categories of warship the possession of which might make it possible for other Powers to intervene. They were particularly anxious to do away with the aircraft-carrier, but they were also prepared to consider the abolition of battleships, and, in any case, to support the British proposal for a decrease in their maximum tonnage. Aircraft-carriers and battleships they considered 'offensive', but they included submarines in the 'defensive' categories which should not be subject to reduction—a point in which they were in agreement with France and Italy, and in disagreement with the United States and Great Britain. A plan on these lines was said to have received the formal approval of the Japanese naval leaders in the middle of July 1934.

While there was little or no difference of opinion in Japan on the principle of claiming naval parity, it appeared that the authorities were not of one mind in regard to the best procedure to be followed. The Foreign Office were anxious to pursue their aims by conciliatory methods, but the naval and military element advocated the adoption of a more intransigent policy, which would establish Japan's independence of other Powers without further ado. There was a division of opinion, in particular, on the question of abrogating the Washington Treaty. The Navy was in favour of the immediate denunciation of the treaty before the London conversations began, whereas the Foreign Minister recommended that the decisive step should be postponed. At the end of July the new Prime Minister, Admiral Okada, made a conciliatory statement to the foreign press in which he declared that Japan could not continue to accept the ratio principle, which was incompatible with national self-respect, but explained that the Government did not expect to attain to actual parity in the near future, and laid special stress on their hopes of securing a real reduction in naval armaments. Within a few days, however, another inflammatory article was published in the Japanese press, from the pen of General Tanaka, who had represented his country at the Washington Naval Conference, and who now took special exception

to a recent article by Admiral Pratt,[1] in which that distinguished American naval officer had criticized Japan's claim to parity and explained the reasons which made the United States reject that claim. On the 7th September the Cabinet in Tokyo was reported to have adopted the formula that the Washington Treaty should be abrogated before the end of the year unless the other Powers accepted the Japanese plan; but at the beginning of October Admiral Yamamoto—who had left Tokyo at the end of August *en route* for London, where he was to represent Japan at the naval conversations—made statements at Seattle which were interpreted to mean that Japan had decided in any case to give notice of termination of the Washington Treaty. Admiral Yamamoto's attempts to explain the Japanese case were not well received in the United States, and there appeared to be small prospect that the London conversations would bring about any reconciliation between the American and the Japanese points of view.

Both Admiral Yamamoto and the American representatives reached London in the middle of October. Mr. Norman Davis was accompanied this time by the Chief of Naval Operations, Admiral Standley, who was a leader of the 'Big Navy Group' in the United States, and whose appointment was generally interpreted (correctly, as it turned out) as a sign that there would be no modification in the attitude of opposition to the Japanese claim to parity. The first meeting between British and Japanese representatives took place on the 23rd October; there was a Japanese-American meeting on the following day and an Anglo-American meeting on the 25th; and the series of bilateral meetings continued intermittently until the 19th December.

During this period of eight weeks there was no substantial modification in the points of view which were put forward by the Japanese and by the American representatives at the outset, and when the British attempted to act as mediators they aroused mistrust in some degree in the minds of both the other parties to the negotiations. Certain organs of the American press criticized the British Government for complacency towards Japan and argued that if the American rejection of the Japanese claim to parity were to receive open support from Great Britain, Japan might be induced to yield. Publicity was also given in the United States to rumours that negotiations were in progress for closer economic and political relations between Japan and Great Britain—possibly even for a renewal of the alliance which

[1] The article had been published in the June number of the American quarterly *Foreign Affairs*.

had been superseded by the Washington settlement.[1] If these suspicions of the British attitude were felt to have any weight in official circles in Washington, the effect was only to increase the efforts which were being made in London to establish a common Anglo-American point of view; and the closeness and cordiality of the relations between Mr. Davis and the other American delegates and their British colleagues reacted in turn upon the Japanese, who suspected that negotiations were going on behind their backs for a separate Anglo-American naval agreement which would come into force if no general agreement could be concluded to take the place of the Washington and London Treaties. On the 17th November, the Counsellor of the Japanese Embassy in London called at the Foreign Office and received an assurance that no discussion regarding such an agreement had taken place.

On the 22nd October—the day before the conversations began in London—the Seiyukai Party Convention in Tokyo unanimously adopted a resolution urging the Government to denounce the Washington Treaty and to replace it by a new treaty based on the principles of parity and fixed 'global' tonnage. On the 31st October the first definite step was taken in the lengthy process which had to be carried out in accordance with Japanese constitutional procedure before notice of abrogation of the Washington Treaty could be given. On that day the Board of Marshals and Admirals formally advised the Emperor in favour of the denunciation of the treaty. These developments in Japan indicated that the naval and military authorities had carried the day in regard to the tactics to be pursued; and although the victory of intransigence in Japan was not reflected in the attitude of the Japanese delegation in London, which remained conciliatory throughout the conversations, it was plain that Admiral Yamamoto was bound by definite instructions, which gave him little or no freedom to negotiate on any basis other than the acceptance of the Japanese plan by the other Powers.

The proposals which Admiral Yamamoto was instructed to lay before the British and American representatives were not published—they seem, indeed, never to have been committed to writing—but they were understood to have followed in general the lines which had been discussed in Japan during the summer. In presenting them Admiral Yamamoto laid special stress on his Government's hope that parity might be attained by a reduction in 'offensive' weapons, which would

[1] Suspicions of this kind were attributable, in part at least, to reports of the activities and the utterances of a British Trade Mission which visited Japan and Manchukuo in the autumn of 1934.

give the Powers adequate naval strength for defence but not for attack; and he seems to have offered to accept some kind of 'qualitative' and 'quantitative' limitation in respect of what Japan regarded as the offensive categories of warships—that is, battleships, aircraft-carriers and cruisers armed with guns more than 6·1 in. in calibre. At the same time Admiral Yamamoto was said to have refused to discuss any detailed questions regarding the types of vessels and of guns which might be accepted as the maximum until the demand for a 'common upper limit' had been conceded.

From the beginning of the conversations to the end Admiral Yamamoto was immovable on the point that Japan must have the right to possess a fleet equal in total tonnage to that of the United States and that of the British Empire. Neither the American nor the British delegates were disposed to yield to this demand; but while the Americans were convinced, in the light of their information regarding the situation in Japan, that the Japanese representatives would not abate their claims, the British had some hope that the Japanese (who, at previous Naval Conferences, had shown themselves ready to accept compromise solutions) would on this occasion also refrain from carrying their intransigence to extremes. The British representatives' hope that it might be possible to devise some arrangement which would satisfy Japan without putting her on an equal footing with the United States and Great Britain was encouraged by remarks which were made by Admiral Yamamoto, to the effect that the Japanese Government's demand for parity was not necessarily to be regarded as equivalent to a declaration of their intentions to build their fleet up to actual parity with the United States and Great Britain as soon as the existing treaty restrictions were removed. Ever since the formulation of a Japanese claim to parity had been openly discussed, it had appeared to be the principle of parity rather than its attainment in practice on which Japan set store; Admiral Okada's statement of the 31st July[1] had conveyed the impression that an agreement in principle would meet Japan's case; and Admiral Yamamoto's attitude seemed to give grounds for hope that Japanese policy had not changed in this respect. When, however, attempts were made to find a formula which would combine the grant of parity in principle with an understanding that parity would not be attained in practice, at any rate for a given period, the difficulty was at once encountered that anything in the nature of a binding undertaking on Japan's part to keep her naval strength below that of the United States and of Great Britain was considered to be just as damaging to Japanese

[1] See p. 68 above.

prestige as the maintenance of the ratio system. On the other hand, the United States and the British Empire could certainly not be expected to agree to concede parity in principle in return for nothing more than vague assurances that Japan did not mean to build up to parity immediately.

By the end of the first week of November the British Government were understood to have put forward a proposal for a 'gentlemen's agreement' by which Japan would be granted the right to parity in principle, but would give an undertaking that her naval building would not greatly exceed, at any rate for some years to come, the limits imposed by the Washington and London Treaties. This proposal was referred to Tokyo and Washington for consideration,[1] but reports from these two capitals indicated that the suggested 'gentlemen's agreement' was not looked upon with any great favour either in Japan or in the United States. In the middle of November the Japanese Government raised hopes that they intended at least to negotiate on the basis suggested by asking for further explanations of the British proposal; but on the 20th November, after further Anglo-Japanese conversations had taken place, a member of the Japanese delegation told the press that Japan 'must have the right to build up to the same limit as the other Powers', that the Japanese representatives had never said, in the course of the conversations in London, that Japan would not 'reach the limit', and that they were not 'willing to undertake not to reach the limit within any period of years'. During the subsequent negotiations the Japanese continued to declare that they were willing to accept drastic reductions in naval armaments,[2] but they refused to give any promise that they would not build up to parity at whatever level it might be fixed.

By the end of November it was clear that no solution of the deadlock was to be found by way of the grant of parity in principle, and although the conversations were not formally suspended for another three weeks, the delegates were for the most part merely marking time. There was understood to have been some discussion regarding the possibility of an agreement to keep in force, after the expiration of the Washington Treaty, the provisions of Article 19 of that treaty

[1] In the interval, the American and British delegates were said to have discussed the questions which had remained outstanding between them when the conversations had been broken off in the summer; but they were not, apparently, successful in settling their differences either in regard to the size of battleships or in regard to numbers of cruisers.

[2] For instance, Mr. Saito, the Japanese Ambassador in the United States, made a speech at Philadelphia at the end of November in which he emphasized Japan's readiness to abolish all the 'offensive' types of warship and reduce her total tonnage by as much as one-half if she were granted equality.

relating to fortifications and bases in the Pacific; but while the Japanese were believed to be in favour of the conclusion of such an agreement,[1] and the British were also believed to support it, it was hardly likely that the Americans would be prepared to accept the prolongation of the self-denying ordinance incorporated in the Washington Treaty in the absence of a general agreement which would take the place of the Washington settlement as a whole. A statement on the American position which was made by Mr. Norman Davis, after consultation with the State Department at Washington, to American correspondents in London on the 6th December, showed that the Government of the United States had not changed their views on the naval problem as a result of the exchanges which had been taking place in London. Mr. Davis explained that his Government still stood for the maintenance of the equilibrium which had been established at Washington and that they considered that the conclusion of a new agreement on the basis of equality in naval armaments would not give equality of security. They were, however, still in favour of a proportionate reduction of all naval armaments which would leave the Washington equilibrium untouched.

The principal development during this final phase of the London conversations was the presentation by the British Government, for the consideration of the American and Japanese Governments, of a new plan in which there was no mention of either ratios or parity. This British plan, as it was finally evolved and explained in a subsequent official statement,[2] was

> to substitute for existing treaty engagements . . . a system under which each Power would make a voluntary and unilateral declaration of its construction programme for a period of years, say 1937–42. It was proposed that these declarations should not have the force or form of contractual obligations. Nevertheless, the construction figures appearing in the programmes would require to be concerted beforehand between the Powers, and it would further be necessary that each Power should undertake in its declaration not to modify its announced building programme without giving previous notice of, say, at least one year to other Powers making similar declarations.

It was obvious that these new proposals would require careful study by the Governments before they could form a basis for negotiation, and by the middle of December the representatives of the three

[1] The Japanese Naval Minister was, however, reported at the beginning of February 1935 to have expressed the opinion that the abolition of the arrangement regarding fortifications would be to Japan's advantage, since under the Washington Treaty China was at liberty to expand her air strength, while Japan was unable to take counter-measures in Formosa and other islands.

[2] This was made by Lord Londonderry in the House of Lords on the 29th July, 1935, in answer to a question from Lord Cecil. (See p. 80 below).

Powers had come to the conclusion that nothing was to be gained by carrying the conversations any farther at that time. On the 19th December all three of the delegations met together for the first and last time in order to record their decision to adjourn the negotiations.[1] At the end of this meeting the following *communiqué* was issued:

> The naval conversations, which were started last June and after a recess have been proceeding since the 23rd October, are agreed by the representatives of all three Governments to have served a useful purpose. These conversations, which were initiated under the London Naval Treaty of 1930, became broadened in scope in the light of proposals and suggestions subsequently made.
>
> Every aspect of the naval problem has been discussed between the parties frankly, fully, and amicably. It was never the purpose of these preliminary conversations to reach any hard and fast conclusion; the sole purpose was to prepare the ground for future negotiation and agreement.
>
> The French and Italian Governments, who were also signatories of the present naval treaties and were associated with the discussions in the summer, have been kept informed of all developments.
>
> Although the three Governments represented in these conversations are in favour of a continuation of naval limitation with such reduction as can be agreed upon by all the Powers concerned, the principle and methods for achieving this in the future remain to be determined.
>
> Now that the respective views have been made known and fully discussed the conversations have reached a stage when it is felt that there should be an adjournment in order that the delegates may resume personal contact with their Governments and the resulting situation can be fully analysed and further considered. It has therefore been agreed to adjourn the conversations at this point.
>
> The Governments concerned in the London conversations will keep in close touch with each other and with the other Governments which are parties to the London and Washington Naval Treaties. The adjournment will also give His Majesty's Government in the United Kingdom an opportunity for further consultation with the Governments of the Dominions.
>
> It is hoped that in view of the preparatory work accomplished during the conversations which have already taken place the situation will so develop as to justify a subsequent meeting as soon as the opportune moment arrives. In that event the Government of the United Kingdom, which initiated the present conversations, will take the appropriate steps.

While the London conversations were still in progress, the Japanese Government had completed their preparations for denouncing the Washington Treaty. Despite the manner in which the Japanese

[1] The American delegates did not leave London for the United States until the end of December and the Japanese representatives stayed on into the New Year. The conversations continued, but on a more informal basis, after the adjournment on the 19th December until the Americans had left England.

intention of abrogating the treaty had been publicly proclaimed, when it came to the point the Government showed a certain reluctance to take the sole responsibility for putting an end to the treaty. In their view, the best course would be for all the five Powers which were parties to the treaty to unite in denouncing it; and, failing this, they hoped that they might at least obtain the support of France and Italy, who had their own reasons for disliking the treaty. Suggestions for combined action had been conveyed from Tokyo to Paris and to Rome before the end of November, but neither France nor Italy was anxious to help Japan to play her cards to her own advantage, and the suggestions were refused.[1] The Japanese Government were therefore obliged to take the final step unsupported. On the 3rd December, the Cabinet authorized the Foreign Minister to submit proposals for the abrogation of the Washington Naval Treaty to the Privy Council, and with the approval of the Privy Council, which was given on the 18th December, the last formality required by Japanese procedure was fulfilled.

On the 29th December, the Japanese Ambassador in Washington, Mr. Saito, presented to Mr. Cordell Hull a note in which the Japanese Government, 'in accordance with Article 23 of the treaty concerning the limitation of naval armament, signed at Washington on the 6th February, 1922', gave 'notice to the Government of the United States of America of their intention to terminate the said treaty, which' would 'accordingly cease to be in force after the 31st December, 1936'. The Japanese note was formally acknowledged by Mr. Hull on the same day, and the exchange of notes was accompanied by official statements on behalf of the Japanese and American Governments. In Tokyo, and simultaneously in other capitals, an official statement was issued explaining the motives for the Japanese Government's action and laying stress upon their anxiety to replace the Washington Treaty by a new treaty which would be based on the principles of a 'common upper limit', fixed as low as possible, and of the abolition or drastic reduction of 'offensive' arms. The Japanese Government, it was declared, desired 'fervently to arrive at an agreement which is just and fair for all the parties concerned', and they were 'prepared, despite the termination of the Washington Treaty, to pursue with undiminished zeal friendly negotiations with other Powers'. Similar sentiments were expressed in Washington by Mr. Saito, who also pointed out that the Japanese Government were not

[1] Nevertheless, the French Minister for Marine announced twelve months later, in an interview with the press, that France would have taken the initiative in denouncing the Washington Treaty if Japan had refrained.

proposing 'to have' their 'navy the equal of that of the United States or Great Britain suddenly overnight'. It was their wish that a 'common maximum limit' should be agreed upon, and that each Power should 'retain the right to build up to it as the necessity of the situation dictates'. He added that he was 'not at all anxious over the consequences' even if agreement could not be reached during the two years which would elapse before the denunciation of the Washington Treaty could take effect; in his view, there was no conflict of interests between the United States and Japan which was not 'overwhelmingly outweighed by their mutually beneficial relations', and there seemed to him, therefore, no 'logical reason' for a Japanese-American competition in armaments.

The statement which was made by Mr. Hull on behalf of the American Government returned to the theme, which Mr. Davis had expounded in London at the beginning of December, that equality of security was not to be attained by means of equality in armaments, and expressed 'genuine regret' at the denunciation of a treaty which, in the American Government's belief, had 'safeguarded the rights and promoted the collective interests of all the signatories'. Mr. Hull's statement also contained an assurance that his Government were 'ready to enter upon negotiations whenever it appears that there is a prospect of arrival at a mutually satisfactory conclusion which would give further effect to the desire of the American Government and the American people . . . that the nations of the world shall not be burdened by avoidable or extravagant expenditures on armament'.

The British Government's 'sincere regret' at the denunciation of the Washington Treaty was expressed by the Prime Minister, who made a statement on the naval discussions in the House of Commons at Westminster on the 28th January, 1935. Mr. MacDonald added, however, that the Government had received with great satisfaction the assurance which had been conveyed to them by the Japanese Government that Japan had 'no intention whatever to proceed to naval aggrandisement or to disturb international peace' and was ready to participate 'as heretofore in the friendly negotiations with the other Powers concerned'.

(*d*) Building Programmes and Exchanges of Views, 1935

The exchange of views through diplomatic channels which had been foreshadowed in the *communiqué* of the 19th December was carried on during the early months of 1935 without attracting any special interest, and also, apparently, without yielding any special results;

and it was not until the second half of the year 1935 that public attention was directed again to the preparations for the forthcoming Naval Conference. The outstanding event in naval history during the first six months of the year was the Anglo-German naval agreement of the 18th June, 1935, by which the German Government undertook that the German fleet should not exceed 35 per cent. of the strength of the British fleet. The negotiation of this agreement and the French reaction to it have been described in one of the preceding volumes of this series;[1] and in the same place it is recorded that on the 8th July, 1935, the German Government announced that they already had upon the stocks, or intended to lay down before the end of the year, a total of 48 vessels: 2 battleships of 26,000 tons, 2 cruisers of 10,000 tons, 16 destroyers, and 28 submarines.

The publication of this German building programme, and the revelation that substantial progress had already been made in naval construction, did nothing to allay the anxiety with which France had received the news of the Anglo-German agreement; and French concern over the German developments was also deepened by the fact that they coincided with the recrudescence of naval rivalry between France and Italy. The naval question had been omitted from the agenda of the meeting between Signor Mussolini and Monsieur Laval in January 1935 which had resulted in a settlement of all the other outstanding Franco-Italian differences;[2] and in the spring of 1935 (when work on the *Vittorio Veneto* and the *Littorio* had reached a stage at which no further important modifications in design were possible) the French Government came to the conclusion that they could not postpone any longer the decision to follow Italy's example in the construction of capital ships. A Bill providing for the laying-down of one large battleship (the tonnage was not actually specified) during 1935 and another after the 1st January, 1937, was laid before the Chamber at the beginning of March. This Bill passed the Chamber, by 453 votes to 125, on the 25th March,[3] and work on a battleship of 35,000 tons began at Brest towards the end of October 1935.

In Italy, naval questions became less prominent as the military preparations for the invasion of Abyssinia gathered momentum during the first nine months of 1935. Some interest was aroused abroad by the news that an extraordinary meeting of the Committee of Admirals—the supreme advisory organ on naval questions—had been summoned for the 4th July, and by the announcement, which was

[1] The *Survey for 1935*, vol. i, Part I, section (vi) (*i*).
[2] See the *Survey for 1935*, vol. i, Part I, section (v).
[3] The Bill also provided for the construction of two destroyers of 1,700 tons.

made when the Admirals concluded their labours on the 5th July, that a 'number of measures' had been decided upon 'to increase the efficiency' of Italian naval forces. On the 16th July came the news that ten new submarines were to be laid down immediately, but no other additions to the Italian fleet were announced during 1935.

The building programmes of the three 'Oceanic' Naval Powers in 1935 revealed no change of policy. All three continued the process of building up to the full strength permitted by the expiring treaties, and all three were known to be making preparations for the resumption of battleship construction in 1937 when the treaties would be no longer in force. In Great Britain the naval estimates which were presented to Parliament in March 1935 were a little higher than those for the previous year, but the increase was accounted for by expenditure on the modernization of old ships and on the naval air arm. The building programme was practically the same as that for 1934, and allowed for the construction of three cruisers, one flotilla leader and eight destroyers, and three submarines. In Japan, the shipyards were still engaged in 1935 in the completion of the 'Replenishment Programme' adopted in 1933,[1] and although most of the vessels provided for in that programme had been laid down before the end of 1934,[2] the cost of constructing new ships and modernizing old ones still represented a very heavy item in the Budget. The Japanese estimates for defence, which were published at the end of November 1934, provided for an expenditure of over £60,000,000 (over 46 per cent. of the total Budget), and the major part of this sum was allocated to the Navy.

In the United States a Bill was introduced in April 1935 to provide the funds for laying down the new instalment of 24 vessels which had been approved by Mr. Swanson in September 1934,[3] and for continuing work on the 66 ships which were already under construction. The Naval Supply Bill, providing for a total expenditure of $460,000,000 in the year 1935–6, was signed by the President on the 25th June, and the contracts for 23 new warships had been awarded before the middle of September. The 1935 programme included two cruisers and one aircraft-carrier, and provision was also made for the construction of upwards of 500 aeroplanes for use with the fleet. A further symptom of the determination of the American Government

[1] See p. 53 above.

[2] The construction of two cruisers had begun in 1933, and one aircraft-carrier was laid down in 1934, leaving the second aircraft-carrier for the 1935 instalment. The construction of destroyers, submarines and other auxiliary vessels was spread over the three years.

[3] See p. 67 above, footnote 2.

to have a fleet second to none was the passage of a Bill in July 1935 authorizing an increase of more than 1,000 in the number of naval officers. Another development which was of special concern to Japan was the decision of the United States Government, which was announced in March 1935, to permit Pan-American Airways to construct landing-places for aircraft on the Pacific islands of Guam, Wake and Midway. As the Japanese press did not fail to point out, these landing-places could be converted into naval air bases which would be uncomfortably close to the Japanese mandated islands. On the general question of bases and fortifications in the Pacific, the activities of an American naval survey expedition in the Aleutian Islands during the summer of 1935[1] gave rise to rumours that the United States intended to establish a base there, but the official American attitude continued to be one of reserve. At the end of July 1935, Mr. Swanson stated that no decision had yet been taken, but that the question must inevitably be considered when the Washington Treaty expired.

The denunciation of the Washington Treaty and the failure of the London conversations to open up the prospect of a new naval settlement gave special significance to the naval manœuvres which were carried out by both the American and the Japanese fleets in the Pacific in the summer of 1935. On the very day on which the Japanese Government gave notice of the termination of the Washington Treaty, the United States Navy Department announced that naval manœuvres would take place in May 1935 in the 'Pacific Triangle' between the Aleutian Islands, Hawaii and the American mainland. The information which was made public regarding the scope of the manœuvres showed that they were to be on an unprecedented scale, with some 160 ships and 450 aeroplanes taking part in them; and if the operations were to extend as far westwards as the extremity of the Aleutian group, the American fleet would be within 1,000 miles of Japanese territory. Nevertheless, the announcement was received in Japan with less resentment than had been aroused by the presence of the American fleet in the Pacific in 1933; but the Japanese Government retaliated by making plans for holding their own annual naval manœuvres nearer to the United States than in previous years. It was announced that the Japanese manœuvres would take place between July and October immediately west of the International Date Line, in the area between Kamchatka and the Kuriles and the Marshall Islands, and that all the ships on the active list, except those undergoing repair, would take part. In order to ease the situation,

[1] An expedition had already visited the islands in the summer of 1934.

Mr. Swanson made it known early in April 1935 that the American fleet would not extend its operations west of the 180th parallel, and it was also arranged that a visit of goodwill by American ships to Japanese ports should take place at the same time as the manœuvres. These began on the 3rd May and continued until the 10th June, and the warships engaged were said to constitute the most powerful fleet that had ever assembled in one area under one flag. Aircraft played a prominent part in the operations, and an item in the programme which attracted special attention was the flight of 45 seaplanes to Midway Island. The Japanese manœuvres began on the 20th July and continued until October. In the culminating stages of the operations in September about 180 warships were engaged, so that the fleet was numerically superior to that which had been engaged in the American manœuvres.

The Japanese naval manœuvres coincided in date with the final phase of the preparations for the Naval Conference. This phase was opened by a speech which was made in the House of Commons at Westminster on the 22nd July, 1935, by the First Lord of the Admiralty, Sir Bolton Eyres Monsell, in the course of the debate on the naval estimates. The First Lord's speech contained the first official information which had been made public in regard to the policy which H.M. Government had been advocating during the diplomatic exchanges that had been taking place since the end of the London conversations in December 1934. Sir Bolton Eyres Monsell told the House that the Government had definitely abandoned any idea of renewing the system laid down in the Washington Treaty, in view of Japan's objections to a ratio which placed her in a position of inferiority to the United States and Great Britain, and that they had proposed the substitution of a system of declaring building programmes. The nature of the proposed new system was explained a week later by Lord Londonderry in the House of Lords in a statement which has already been quoted in this chapter.[1]

The British authors of the plan for declaring building programmes hoped by this means to eliminate the element of secrecy which had been a feature of naval building in the past[2] and which was generally considered to have been responsible, in no small measure, for the development of naval rivalry. The Washington and London Treaties had provided that the signatory Powers should notify one another of

[1] See p. 73 above.

[2] The degree of success which might, even under modern conditions of publicity, attend efforts to keep naval building a secret was illustrated during the year 1935 by the construction of submarines and other warships in Germany. (See p. 77 above, and the *Survey for 1935*, vol. i, pp. 180–1, 184–5).

the laying down and completion of new warships; but the information which the Powers were required to supply was not at all detailed, and there had been no arrangement for the notification of their intentions in advance of the actual laying down of the keels of the new vessels. It was hoped that the declaration of building programmes over a period of years would decrease the danger of naval competition by making it impossible in future for any Power which accepted the arrangement to take its fellow signatories by surprise; and in the original British plan it seems also to have been contemplated that after building programmes had been exchanged there would be a process of bargaining which would result in some kind of agreement—probably of a rather elastic kind—for the 'quantitative' limitation of naval armaments.[1]

This plan presupposed the idea that naval requirements were absolute rather than relative—that is, that each Power could decide upon the size and nature of the fleet which it needed for defensive purposes without much regard to the plans of other Powers. While this thesis that naval needs were absolute was held in British naval circles (the demand for seventy cruisers, for instance, had been formulated on this basis), the naval authorities in other countries were more accustomed to consider their requirements in relation to the strength of their neighbours or their rivals; and it was evident that a Government which looked at the question of naval armaments from this angle would find it difficult to draw up its own programme for a period of five or six years until it knew what the naval strength of other Powers was likely to be. The diplomatic exchanges which had been taking place during the first six months of 1935 had not apparently produced any enthusiastic support for the British plan either in the United States and Japan, to whom it had been communicated in its general lines while the London conversations were still in progress, or in France and Italy, to whom it had been explained more recently. The Japanese attitude was still the crux of the problem, and there appeared to be no prospect that the Japanese Government would modify the policy which they had followed in 1934.

[1] When Sir Bolton Eyres Monsell outlined the plan in the House of Commons on the 22nd July, 1935, he explained that the idea was to ask the Powers 'what sized Navy do you propose to have in, let us say, 1942?' and he went on to express the view that 'if they could then, having pooled all these replies, by agreement accommodate these various naval strengths in such a way as to provide adequate defence for each country, at the same time making it unlikely that any country could attack another with any chance of ultimate success, they would have achieved something of almost unparalleled benefit to the taxpayers of the countries concerned, and they would have contributed very greatly to the general pacification of the World'.

While gratification was expressed in Japan at the British Government's public avowal of their abandonment of the ratio system, there was no sign of any change in the attitude which the Japanese delegates had adopted towards the end of the London conversations on the question of actual or theoretical parity.[1] The influence of the Navy on Japanese politics appeared to have been gaining rather than losing strength during the early months of 1935; and there was a growing tendency in naval circles to argue that Japan would be well advised not to become a party to a new naval agreement, in order that she might, on the lapse of the Washington and London Treaties, obtain complete freedom to organize her Navy on the lines which she considered best suited to her own needs.

This tendency appeared to be reflected in a communication from the Japanese Government which was delivered in London on the 22nd August, 1935, in reply to an inquiry from the British Government whether Japan would be prepared to attend a Naval Conference in the autumn and enter into discussions on the basis of the British plan for a declaration of building programmes. The Japanese Government were understood to have announced their readiness to discuss the British proposals on two conditions: that the principle of a 'common upper limit' should first be accepted and that the building programmes should not necessarily be based upon the tonnage actually in the possession of the Powers. Japan was also believed to have refused to consider the 'qualitative' limitation of types of warships and guns until the question of 'quantitative' parity had been settled. It was felt in London that a rigid adherence to this attitude on Japan's part would preclude any hope of a successful outcome to a Naval Conference, and representations to this effect were made in Tokyo.[2] The less intransigent elements in Japanese public life, who were anxious that Japan should not be saddled with the responsibility for the break-down of the attempt to find a basis for a new treaty, were now able to make their influence felt in favour of moderation, and after long consultations between the Foreign Office and the Navy Office a conciliatory reply to the British communication was drafted.

This note, which was presented in London on the 18th October, implicitly abandoned the condition that the Japanese claim to a common upper limit must be accepted before Japan would take part

[1] See p. 72 above.

[2] The British Government were believed to have suggested that their plan for declaring building programmes might be modified by reducing the period covered from five years to two.

in any negotiations, and, while the principle of parity was maintained, greater stress was laid on the accompanying principles of non-menace and non-aggression which Japan had also advocated in the earlier conversations. In regard to the declaration of building programmes, the Japanese Government were said to have suggested a formula based on the idea of the 'escalator clause' which had been inserted into the London Treaty: that is, they offered to disclose their building programme on the understanding that it was not to be regarded as rigid and unalterable over a period of years. While it was evident that Japan's fundamental principles had not been modified and that her aims were still the same as they had been during the London conversations in 1934, her reply was considered by the British Government to offer at least a basis for negotiation and therefore to justify the summoning of a full Conference of the Powers signatories of the Washington and London Treaties.

The Government of the United States had not taken any part in these exchanges between Great Britain and Japan, and, although they had signified their readiness to attend a Naval Conference, they had also made it plain that their point of view, like that of Japan, had not undergone any change. On the 27th September, in a statement to the press, President Roosevelt declared that the Government's policy of bringing the Navy up to treaty strength was unchanged, and that this policy would only be modified if a failure to renew the expiring treaties were followed by building on the part of other Powers in excess of the limits imposed by the treaties. This statement was said to have been prompted by a rumour that Great Britain was thinking of invoking the escalator clause in the London Treaty (a rumour which was denied by the British Government); and it was taken as a definite notification of the intention of the American Government to maintain the existing ratios, if necessary by building, whatever the outcome of the forthcoming Naval Conference might be.

Thus, so far as the Oceanic Powers were concerned, the outlook for a new naval agreement was far from promising in October 1935, and the relations between the European Naval Powers were also such as to offer little hope that a Conference could produce any substantial results. The resentment which had been felt in France at the conclusion of the Anglo-German naval agreement had subsided during the summer, but the French Government still mistrusted the effects of the agreement. They were anxious lest the rapidity with which Germany was building her fleet up to the strength permitted by the agreement should force them to order

a further acceleration of the French building programme, which they had already enlarged, with reluctance, in order to compete with Italy's new battleships; but though they could not fail to realize the desirability in their own interests of bringing Germany into a general naval settlement, they were opposed to the inclusion of Germany among the Powers to be represented at the forthcoming Conference, on the ground that an invitation to attend the Conference would be equivalent to the 'legalisation' of the breach of the naval clauses of the Versailles Treaty which Germany had committed (and which Great Britain had condoned, according to the French view, when she had concluded the Anglo-German agreement of June 1935). The French Government had an opportunity of explaining their difficulties to a British naval expert who visited Paris during the first half of August, and there was a further exchange of views between French and British experts in London during the autumn.

Italian naval experts also paid another visit to London in November 1935, but the Anglo-Italian exchange of views was hampered by the rapid deterioration in relations between Italy and Great Britain during the summer and early autumn, and this also threatened to add another formidable obstacle to the difficulties confronting the Conference. The increasingly serious strain upon Anglo-Italian relations which was a consequence of the part played by Great Britain in opposing Italy's aggression against Abyssinia has been described in an earlier volume,[1] where an account is given[2] of the measures which Great Britain took to strengthen her naval forces in the Mediterranean and to obtain guarantees of assistance from other Mediterranean Powers in the event of an Italian attack upon her. The Italian invasion of Abyssinia was in progress and the tension in the Mediterranean was at its most acute when, on the 24th October, 1935, the British Government sent out formal invitations to a Naval Conference in London at the beginning of December.

In the course of the earlier diplomatic exchanges the question whether Germany should or should not be invited to attend the Conference had finally been answered in the negative—the French objections to her presence having been accepted by Great Britain in view of the fact that Germany's naval strength had been fixed by the Anglo-German agreement of the 18th June in relation to British strength. So far as the 'quantitative' limitation of naval armaments was concerned, therefore, Germany's position no longer called for discussion; but it seems to have remained an open question whether

[1] The *Survey for 1935*, vol. ii, pp. 159, 177, 248–9, 253–4, 258 *seqq.*
[2] *Op. cit.*, section (viii).

it would be desirable to secure her co-operation, and that of the U.S.S.R., when the 'qualitative' aspect came up for consideration. At all events, the invitations to the Conference were sent in the first place only to Great Britain's fellow signatories of the Washington and London Treaties. The British Dominions and India were also invited to send their own representatives to attend the Conference. Acceptances of the British invitation were received promptly from the United States, Japan and France, but the Italian Government delayed their formal reply until they had obtained a report upon the result of their naval experts' visit to London. The Italian acceptance of the invitation to the Conference had, however, been received in London by the 21st November. The date suggested originally for the opening of the Conference was the 2nd December, but it was postponed until the 9th December to suit the convenience of the American and the Japanese delegates.

(*e*) THE LONDON CONFERENCE (9TH DECEMBER, 1935—25TH MARCH, 1936).

The restrictions imposed upon naval armaments by the Washington and London Treaties had been both quantitative and qualitative —that is, the signatory Powers had agreed to confine within specified limits both the total tonnage of their fleets, considered by categories of vessels, and the size and gun calibre of individual ships. As a result of the exchanges of views which had been taking place during the past two years, the delegates of five nations[1] who assembled

[1] The American delegation was headed by Mr. Norman Davis, who was again accompanied by Admiral Standley. Mr. William Phillips, the Under-Secretary of State, was also appointed a member of the delegation, but he returned to the United States in the middle of January when he had gained sufficient experience of the procedure to enable him to act as liaison officer between the delegation and the State Department. The principal Japanese representative was Admiral Nagano, and associated with him was Mr. Nagai, a former Vice-Minister for Foreign Affairs and Ambassador in Berlin. Both France and Italy were represented by their respective Ambassadors in London, Monsieur Corbin and Signor Grandi, and by distinguished naval officers: Vice-Admirals Durand-Viel and Robert for France, and for Italy Vice-Admiral Pini and Rear-Admiral Raineri Biscia. The Governments of the British Dominions appointed their High Commissioners in London as their delegates, while India was represented by the Under-Secretary of State, Mr. R. A. Butler. As for the delegation from Great Britain, it was nominally headed by the Secretary of State for Foreign Affairs, who was elected President of the Conference, but Sir Samuel Hoare was absent from the country when the Conference opened, and Mr. Eden, who succeeded him on the 22nd December, 1935, did not take an active part in the proceedings. The leader of the British delegation was therefore the First Lord of the Admiralty, Lord Monsell (Sir Bolton Eyres Monsell had been raised to the Peerage in the birthday honours of 1935), and it was he who presided over the First Committee into which the

for the opening of the London Conference on the 9th December, 1935, came to the conference table with very little expectation of concluding a new quantitative agreement on the lines of the previous naval treaties. There was no reason to suppose either that Japan would modify her refusal to become a party to any agreement which did not establish parity for all the Oceanic Powers, or that the United States and the British Empire would now be ready to consider proposals which would give Japan the right to build her fleet up to the American and British level. If this deadlock could not be broken, it was hard to see how an agreement for limitation on a tonnage basis could be concluded between the Oceanic Powers, and the prospect for such an agreement between the European Powers was little better, since France and Italy were known to agree in principle with the Japanese view that discriminatory quantitative limitations were invidious.

There remained two other possibilities: that an arrangement for the exchange of information regarding building programmes might be concluded, though the British plan for a declaration of programmes over a period of six years was not likely to be accepted in its entirety; and that the Powers might subscribe to an agreement which would impose qualitative limitations upon naval armaments. The British naval authorities, who were among the strongest advocates of qualitative limitation, pointed out that an agreement for the reduction or limitation of the size of ships and of the calibre of guns would at once effect a great saving in cost and obviate some of the worst evils of naval competition (without such an agreement there might, for instance, be a revival of the plans for 50,000-ton battleships on which naval designers had been engaged before the Washington Conference). While the British Government appeared to take the view that qualitative limitation was just as important as —and perhaps even more important than—quantitative limitation, the Government of the United States, at the time when the Conference began, were still opposed to the conclusion of any agreement which would provide for qualitative limitation without continuing to provide for quantitative limitation as well. The Japanese approved in principle of qualitative limitation, and declared themselves ready to accept drastic qualitative reductions in certain classes of vessels, but only on the condition that the quantitative aspect were first dealt with to their satisfaction. France and Italy were interested in

Conference transformed itself after the opening meeting. All the delegations, of course, included naval advisers and experts in addition to the principal delegates.

qualitative limitation as a means of cutting down expenses, and their views on this point coincided closely with those of the United Kingdom. In view of the preference of the United States for the larger types of warships, and of the construction of capital ships which was in progress in France and Italy, it did not seem probable that any substantial reduction could be effected in the size of the largest and most costly units. An agreement to restrict the size of warships and the calibre of guns to their existing limits, if that was all that could be attained, would at least reduce the dangers of competition in types; but at the same time it could be argued that the situation in this respect would be much the same whether a qualitative agreement were concluded or not, since financial considerations made it appear improbable that the Naval Powers would try to outbuild one another, at any rate for some time to come.[1]

The first plenary session of the London Conference on the 9th December, 1935, was opened by the Prime Minister of the United Kingdom. Mr. Baldwin declared that H.M. Government attached 'the greatest importance to a continuation of limitation in both the quantitative and the qualitative field', and that they were 'prepared . . . to prolong the principles of the Washington and London Naval Treaties, with such modifications and adjustments as' were 'expedient and necessary'. In general their position had not changed since July 1932, when they had presented detailed proposals for the limitation of naval, as well as land and air, armaments to the Disarmament Conference at Geneva.[2] The British proposals of 1932 had dealt principally with the qualitative aspect of naval limitation,[3] and it was on this aspect that Mr. Baldwin now laid most stress. He expressed the opinion that the people of the various countries concerned would be

> particularly anxious to ensure . . . that, when the present naval treaties expire, we shall not each feel that our main duty is to 'go one better'

[1] According to a statement which was made in the House of Commons at Westminster by Mr. Hall, the Labour Member for Aberdare, on the 22nd July, 1935, if the five Washington Treaty Powers were merely to replace their out-of-date tonnage between 1936 and 1942 they would have to build 720 warships. In the British Government's view this programme was so large that it practically excluded the possibility of competitive building beyond the limits set by the existing treaties during the next six years. This financial argument was felt to be of special weight in regard to the position of Japan (see pp. 111–12 below).

[2] See the *Survey for 1932*, pp. 244–6.

[3] The proposals were, in brief, that the maximum size of capital ships should be reduced from 35,000 to 25,000 tons, with a maximum gun calibre of 12 in. instead of 16 in., or to 22,000 tons and 11-in. guns if agreement could be reached on the simultaneous reduction of the maximum size of cruisers

than our neighbour in the evolution of new types and increased size of ships. This we believe to be the most expensive and the most dangerous of all types of naval competition.

Mr. Baldwin also announced that in the course of the preliminary negotiations both France and Italy had signified their readiness to sign a separate instrument which would bind them to acceptance of the regulations concerning the use of submarines which had been incorporated into Part IV of the London Treaty of 1930.[1]

The heads of the various delegations were invited by Mr. Baldwin to give a brief outline of their views, and the speeches which followed threw into relief the difficulties of the task which was before the Conference without offering any constructive suggestions for the solution of those difficulties. The statements made by Mr. Norman Davis and by Admiral Nagano showed that neither the American nor the Japanese Government had moved from the standpoint which they had occupied at the time of the London conversations in 1934. Mr. Davis, indeed, quoted the instructions which he had received from President Roosevelt on that occasion and declared that those instructions still held good. Thus the American delegation was still committed to the principle of maintaining the ratios established at the Washington Conference—on the ground that these ratios gave the Powers equality of security—and they desired to see a reduction

from 10,000 tons to 7,000 tons with 6-in. guns; that aircraft-carriers should be reduced from 27,000 tons to 22,000 tons with 6-in. guns; and that submarines should be either abolished or reduced to 250 tons.

[1] Part IV of the London Treaty was one of the parts which France and Italy had signed, but since they had not ratified their signature the rules were not in force for them. Mr. Baldwin's announcement was confirmed, so far as France was concerned, by Monsieur Corbin in his speech at the opening session, but the withdrawal of Japan from the Conference in mid-January (see pp. 93–4 below) prevented the completion of the negotiations for a protocol while the Conference was in session. The negotiations were therefore taken up through diplomatic channels after the Conference had dispersed, but the political difficulty which kept Italy from signing the London Treaty (see pp. 99–100 below) was encountered also in connexion with the special protocol. It was not until October 1936 that Italy's attitude changed and she signified that she was ready to become a party to the submarine agreement. A protocol setting out the regulations which formed Part IV of the London Treaty of 1930 was signed in London on the 6th November, 1936, on behalf of the United States, Japan, France, Italy, Great Britain, the British Dominions and India. By a special clause, Great Britain was entrusted with the responsibility for inviting other Naval Powers to adhere to the protocol. This invitation was accepted by Germany (who had already, during the negotiation of the Anglo-German agreement of June 1935, signified her readiness to accede to Part IV of the Naval Treaty of 1930), and Germany's adherence to the protocol was formally notified to the British Government on the 23rd November, to take effect from the following day. The adherence of the Soviet Government to the protocol was notified to the British Government on the 16th February, 1937.

of naval armaments effected by means of a proportional cut in all navies. If a 20 per cent. reduction could not be achieved, they would be ready to accept any lower percentage on which agreement could be reached. Mr. Davis assured his colleagues that the United States had no intention of initiating a naval race; they desired to see the limitation and reduction of armaments, not their increase, and they had no wish to exceed the existing treaty limits, which would be reached by 1942 under the building programme actually in force in the United States.

Admiral Nagano, in a brief speech, set out the principles which ought, in the view of the Japanese Government, to form the basis of the new treaty which it was the object of the Conference to conclude. These principles were the establishment, among the Principal Naval Powers, of

> a common upper limit of naval armaments to be fixed as low as possible, which they shall not be allowed to exceed; simultaneously offensive forces must be drastically reduced and ample defensive forces provided, so as to bring about a substantial measure of disarmament, thus securing a state of non-menace and non-aggression among the Powers.

The leaders of the French and Italian delegations were rather more guarded in their exposition of their Governments' views. Monsieur Corbin declared himself in favour of qualitative limitation, without entering into any details, and he made an approving reference to the possibility of arranging wider publicity for building programmes; but in regard to quantitative limitation, which aroused 'legitimate susceptibilities' and also raised the question of the interdependence of naval armaments with armaments on land and in the air, he suggested that it would be well to proceed with caution. Moreover, he thought that it was 'necessary to take into account new factors which make the present circumstances very different from those which existed when the previous Naval Conferences met and prevent us from binding ourselves except for a short period'. Signor Grandi, like Monsieur Corbin, felt that 'it would not be easy to lay down any rigid solution for a long period of time'. He pointed out that his Government were 'compelled to take carefully into account the present situation which has been created by the attitude of many of the states belonging to the League of Nations'; but except for this one sentence he avoided any reference to the peculiar position of Italy; and, while he did not make any suggestions for furthering the work of the Conference, he gave an assurance of Italy's co-operation in the efforts to conclude a new naval agreement.

As for the representatives of the British Dominions, none of them

had any substantial contribution to make to the discussion, and they contented themselves for the most part with an indication that they associated themselves with the views which had been expounded by Mr. Baldwin on behalf of His Majesty's Government in the United Kingdom.

The First Committee, into which the Conference constituted itself after the opening plenary session, held its first meeting on the 10th December and got to grips at once with the crux of the problem of quantitative limitation by tackling the Japanese proposal for a 'common upper limit'. The Japanese plan, as it was finally made public,[1] was summed up in the following formula:

> The Powers shall agree upon a maximum total tonnage of naval forces beyond which they shall not be allowed to build. In consonance with the spirit of disarmament this maximum tonnage should, of course, be fixed as low as possible. In order to eliminate all possibilities of aggression, offensive types of vessels—namely, capital ships, aircraft-carriers, and A-class cruisers—shall, unless entirely abolished, be limited each in their own categories both in number and in tonnage by a maximum figure common to all Powers. As for defensive types of vessels, such as B-class cruisers, other lighter surface craft, and submarines, they shall be considered *en bloc* and a common upper limit of aggregate tonnage of all these vessels shall be adopted by the Powers. Each country shall then be free to choose and build its favourite category according to its defensive needs.[2]

The objections which had been felt by the United States and by Great Britain when the Japanese plan for a common upper limit had been propounded in the autumn of 1934 were not modified by any arguments which Admiral Nagano was able to bring forward in the First Committee, nor did either France or Italy show any disposition to support the proposal. The first concern of the two European Powers was to ascertain whether the common upper limit would be the same for them as for the Oceanic Powers, and they made it clear that they would refuse to accept invidious quantitative distinctions. The United States and Great Britain, who were not prepared to grant parity to Japan, naturally rejected the idea of a common limit applicable to all Naval Powers (Germany and the U.S.S.R. could hardly be denied the right to parity if the principle were once accepted); and the suggestion of a 'sloping ceiling'—that is, an upper

[1] The details of the Japanese proposals were not publicly known until the middle of January, when full statements were made by Admiral Nagano in the First Committee and issued to the press on the eve of the Japanese delegates' withdrawal from the Conference (see pp. 93–4 below).

[2] This was the formula which Admiral Nagano explained to the other delegates at the meeting of the First Committee on the 15th January, 1936 (see p. 93 below).

limit for the European Powers fixed at a lower level than the upper limit for the Oceanic Powers—was not acceptable to France and Italy. In the course of the discussions the Japanese delegation suggested certain modifications which would make their scheme more elastic. They proposed, for instance, that tonnage might be transferred from the A-cruiser category to the defensive categories, and they offered to consider any claims which might be put forward on geographical or strategic grounds for further adjustments. These concessions did not make the plan as a whole any more acceptable to the other Powers, and by the end of the first week of the Conference, during which the First Committee had been engaged almost exclusively on the examination of the Japanese proposals, it had become clear that if the proposals were to be put to the vote, the Japanese delegation would be alone in supporting them. In view of the Japanese attitude on parity, it would have caused no surprise if Admiral Nagano had insisted upon a final decision at this stage and had announced that he and the other members of the delegation would withdraw from the Conference if the decision should be adverse. In fact, however, after a number of informal conversations had been held, Admiral Nagano accepted the arrangement, which was decided on at a meeting of the heads of delegations on the 16th December, that further consideration of the Japanese plan should be postponed, and he agreed to co-operate in the examination of other proposals bearing on quantitative limitation.

The American proposal for an all-round reduction in naval strength of 20 per cent. was recognized to stand no chance of Japanese approval, and it does not appear to have been formally considered by the First Committee, which proceeded at once to study proposals for exchanging information regarding building programmes. The British plan for a declaration of programmes over a maximum period of six years[1] was taken as a basis of discussion by the committee on the 17th December, but no conclusions had been reached by the 20th, when the Conference was adjourned until the New Year. The exchange of views preceding the Conference had shown that the six-year period was not generally acceptable, and the heads of the French and Italian delegations had made it clear in their speeches at the opening session that their Governments were not prepared to commit themselves quantitatively for more than quite a short term. During the preliminary conversations, the British Government had already indicated that they would consider a shortening of the period,[2] and

[1] See pp. 73 and 80–1 above.
[2] See p. 82 above, footnote 2.

when the First Committee resumed work on the 6th January, 1936, the British delegates accepted the principle underlying a French counter-proposal that building programmes should be declared annually. On the 7th January, alternative British, French and Italian proposals for the annual notification in advance of details regarding building programmes were circulated. In their general lines the three plans were similar, but the French plan differed from the other two by providing not only for the notification of the details of projected vessels and for the subsequent notification of any changes in design, but also for the lapse of a period of six months between the notification and the actual putting in hand of the work.

The First Committee had hardly begun its examination of these alternative plans when a crisis arose. The Japanese delegates had been taking part in the discussion on building programmes, but their contributions had not been helpful and had consisted for the most part of attempts to bring the debate round again to the question of a common upper limit. It was not enough for the Japanese that the proposals now before the Conference made no attempt to re-impose an inferior status upon Japan, but left each Power free to decide on its own quantitative naval strength; they desired the explicit recognition of their right to parity which the acceptance of a common upper limit would involve. During the Christmas recess the Japanese delegation apparently received instructions from Tokyo to press for an early decision on the Japanese plan, and at a meeting of the First Committee on the 8th January Admiral Nagano intimated that he and his colleagues would be unable to enter into further discussion on matters which they considered of minor importance until they knew whether the Japanese plan would be accepted by the other Powers. The meetings of the First Committee were suspended from the 8th January until the 15th, and during the interval a number of informal meetings were held in order to discuss both the procedure to be followed immediately in regard to the Japanese demand and the future of the Conference in general.

On the point of procedure, it was finally decided that at the next meeting of the First Committee the Japanese delegation should be given an opportunity of explaining their proposals again, and that the other delegations should then in turn declare their attitudes. It was a foregone conclusion that this proceeding would result in the definite rejection of the Japanese plan, and the other delegates had to face the probability that the Japanese representatives would withdraw from the Conference. There appears to have been no division of opinion in regard to the desirability of continuing the

work of the Conference with or without Japanese co-operation. The discussions on building programmes had shown that there was every chance that all the delegations, except the Japanese, would accept some arrangement for the notification of programmes in advance; and, although the First Committee had not yet tackled the question of qualitative limitation, there was good reason to believe that a four-Power agreement, at least to restrict types within the existing limits, could be reached without much difficulty. It would of course be preferable that Japan should be a signatory of any agreement that might be concluded, especially of an agreement for qualitative limitation; but there was no reason why the departure of the Japanese representatives should prevent the remaining delegates from deciding on terms which they could themselves accept, and which might, it was possible to hope, subsequently prove acceptable to Japan and to other Naval Powers.

At the meeting of the First Committee on the 15th January, Admiral Nagano explained the Japanese proposals once more.[1] While he made it clear that Japan would not accept any compromise on the fundamental question of her right to parity, he laid some stress on the possibility that in applying the principle of the common upper limit adjustments might be made to meet individual needs; and he also remarked that the adoption of the Japanese plan would not preclude an arrangement for the exchange of information on building programmes. Admiral Nagano was followed in turn by members of all the other delegations, each of whom expressed inability to accept the Japanese proposals as the basis for a new naval agreement. The speeches of the American and the British delegates were dissertations on the thesis 'equality of armament would mean inequality of security', and their views on this question were shared not only by the representatives of the British Dominions—who considered that the adoption of the Japanese plan would be incompatible with the special needs of the British Empire—but also by the French delegate. Signor Grandi, for Italy, expressed sympathy with the principle of a common upper limit, but doubted if it was possible to give effect by means of an agreement to the desire to avoid discrimination which Italy shared with Japan.

The Japanese delegation had not definitely announced that they would withdraw from the Conference on the rejection of their plan,[2]

[1] See p. 90 above for the formula in which he summed up the proposals.

[2] Reports from Japan indicated that there had again been a difference of opinion in regard to procedure between the Navy and the Foreign Office, and it had looked for a time as though the Foreign Office might be able to prevent the recall of the Japanese delegation.

but any hopes which might have been raised by the conciliatory tone of Admiral Nagano's speech were dashed before the day had ended. Admiral Nagano sent a note to Lord Monsell, the chairman of the First Committee, informing him that as it had 'become sufficiently clear . . . that the basic principles embodied in' the Japanese proposal could not 'secure general support', the Japanese delegation had come to the conclusion that they could 'no longer usefully continue' their 'participation in the deliberations of the present Conference'. A statement which was issued to the press at the same time set out once more the principles on which the Japanese plan was based, and ended by declaring 'most emphatically' that Japan was 'far from entertaining the slightest wish to embark upon an armament race' and was 'firmly determined to endeavour as heretofore to promote the cause of world peace by assiduously cultivating the best of friendly relations with other nations'.[1] At its meeting on the following day the First Committee approved the text of a reply to Admiral Nagano's communication, expressing regret at the Japanese delegation's decision and inviting the Japanese Government to appoint observers who would continue to follow the work of the Conference. This invitation was accepted, and two observers were left behind when the Japanese delegation sailed for Tokyo at the end of January.

After the withdrawal of the Japanese, the remaining delegates made more rapid progress towards agreement. On the 17th January the First Committee agreed upon the principles which were to be embodied in a scheme for the notification of building programmes in advance and for the exchange of information, and appointed a sub-committee to work out the details. This sub-committee's report, which was adopted on the 31st January, recommended that each of the signatory Powers should communicate confidentially to the others, during the first four months of the year, full details regarding every warship which was to be built, either to the orders of the Government of the state concerned, or to those of another state, or for which an order was to be placed in another country. This notification should be given four months before the keels of the projected vessels were laid down, and if there were any subsequent changes in the original design, the work should be suspended for four months

[1] A similar statement was made in Tokyo by the Foreign Minister, Mr. Hirota, who declared that, with or without a treaty, Japan would do nothing to stimulate competition. Among other ministerial pronouncements, that by the Prime Minister, Admiral Okada, also discounted the possibility of a naval race; but the Minister for Marine, Admiral Osumi, laid more stress on the increased responsibility which would now rest upon the Japanese Navy.

after notification of such changes had been given.[1] The signatory states should be prohibited from laying down or acquiring any vessel which had not been included in their programmes for the current or some preceding year.

Meanwhile, the question of qualitative limitation had also been taken up. In this field, the attitude of the United States had been expected to present the greatest difficulty, but the American delegates showed themselves ready and willing to co-operate in the study of the problem. The withdrawal of the Japanese delegation, however, had destroyed the last vestige of hope that the United States might make some concession to the British desire to see a reduction in the maximum unit tonnage of battleships. In view of Japan's intransigence in the matter of parity, which was taken as confirmation of the suspicion that she intended to make a bid for the domination of the Pacific, any change which would curtail the range and striking power of American battleships was held to be out of the question. At the same time, the United States had no desire to see the maximum tonnage raised above the existing level of 35,000 tons, and there was reason to believe that the American delegation might accept a slight reduction in the maximum calibre of guns carried on battleships.

In regard to cruisers, the prospect for a decrease in the maximum size was more favourable. The naval authorities in the United States, who had hitherto shown a marked preference for the 'A' type of cruiser, with a maximum tonnage of 10,000 tons and 8-in. guns, were now apparently becoming converted to the view, which had been held for some time in other countries, that the 10,000-ton cruiser was not a satisfactory type, and that a lighter vessel, armed with 6-in. guns, was more fitted to perform some at least of the duties required of a cruiser.[2] Moreover, the United States already had in commission, or under construction, 27 of the 10,000-ton cruisers (9 of them armed with 6-in. guns and 18 with 8-in. guns), and an agreement for the temporary suspension of building of 'A' cruisers would therefore leave American superiority in this category unimpaired.

The naval authorities in the United States shared the general opinion that the existing maximum tonnage for aircraft-carriers was

[1] In the French plan, on which these recommendations were based, the period of delay suggested had been six months.

[2] When the London Naval Treaty was under consideration by the Foreign Affairs Committee of the Senate in May 1936, Admiral Standley testified that he had learnt by experience that some naval work could be done more efficiently with the smaller than with the larger type of cruiser.

unnecessarily high, and there was, therefore, not likely to be any difficulty in reaching agreement on a reduction in this class. In regard to submarines the Americans and the British still held that it would be best to abolish them altogether; but, in view of the insistence of other Powers that submarines were essential for defence, abolition was clearly a lost cause. The British suggestion for a reduction of the maximum size to 250 tons also encountered strong opposition from the French and the Italians, and in this category, as in the case of battleships, the continuance of the existing limits seemed to be the most that could be hoped for.

The possibilities of qualitative limitation had been explored by means of informal conversations before the question actually came before the First Committee, and when the committee began its discussion of this aspect of the problem on the 29th January[1] the British delegation presented new proposals, which showed that they had abandoned hope of effecting the substantial reductions in maximum unit tonnage which the British Government had recommended in 1932, and which had been put forward as their desiderata at the opening session of the present Conference. The new suggestions were that the limit of 35,000 tons should be retained for battleships, unless agreement could be reached on a small reduction—say of 2,000 or 3,000 tons—and that the maximum gun calibre should be 14 in. instead of 16 in.; that aircraft-carriers should be reduced to 22,000 tons; that no more 'A' cruisers armed with 8-in. guns should be built during the period of validity of the agreement; that the maximum tonnage of the 'B' cruiser class (which would include destroyers and light surface craft) should be 7,500 or 8,000 tons, with a maximum gun calibre of 6·1 in.; and that the maximum surface displacement tonnage of submarines should continue to be 2,000 tons.

These proposals were accepted as a basis of discussion by the First Committee, and on the 31st January a second sub-committee was appointed to report on the definition of categories, standard displacement and age limits of warships, as well as on the qualitative limitations to be included in the treaty. This sub-committee submitted a report on the 7th February dealing with the questions of categories, standard displacement and age limits, and it was also able, without much difficulty, to decide on the limits of size for aircraft-carriers, cruisers, and submarines. In regard to aircraft-carriers, there was some difference of opinion as to whether the maximum tonnage

[1] A meeting which had been arranged for the 21st January had been postponed in consequence of the death of King George V.

should be 22,000 or 23,000 tons, and the higher figure was finally accepted. The limit of 2,000 tons for submarines was agreed upon, while in regard to the category of 'light surface vessels' (including cruisers and destroyers) the maximum of 8,000 tons with 6·1-in. guns was fixed. On the 10th February a Drafting Committee was set up to begin the preparation of the text of a treaty providing for the notification of building programmes and for the qualitative limitation of all categories of warships.

In regard to qualitative limitation, however, two important questions still remained to be settled: the maximum unit tonnage of battleships and what was known as the 'zone of no construction'. Under the Washington Treaty all warships exceeding 10,000 tons, or carrying guns more than 8 in. in calibre, were ranked as battleships, but the quantitative limitation of battleships had prevented the Treaty Powers from building these intermediate types (of which, however, the lesser Naval Powers possessed a certain number). With the removal of quantitative limitations, the only method of making the limits on the size of the cruiser class effective was to fix a minimum as well as a maximum tonnage for battleships, and prohibit the construction of vessels of tonnage falling between the maximum for 'light surface vessels' and the minimum for battleships.

The question of the maximum unit tonnage of battleships gave rise to a good deal of difficulty. The American delegates agreed provisionally to accept 14-in. guns, but they were not to be moved from the position that no reduction in the existing limit of 35,000 tons could be accepted by the United States. The British delegation, with reluctance, accepted as definitive the American refusal to consider any reduction, and the opposition came, rather surprisingly, from France and Italy. As has been stated above,[1] both these Powers had 35,000-ton battleships under construction, and they might have been expected, therefore, to raise no objection to the maintenance of the Washington upper limit of size. Both of them, however, were also strongly moved by financial considerations, and they were exceedingly anxious that the standard battleship of the future should be the 27,000-ton type which France had laid down in reply to the German 'pocket-battleship',[2] rather than the far more costly 35,000-ton type. A suggestion that all the signatory Powers might build two new 35,000-ton ships, in order to bring them up to the level established by Italy, and agree to limit future construction to 27,000 tons, was not acceptable to the United States, and by the middle of February a deadlock appeared to have been reached. The French Ambassador

[1] See pp. 67 and 77. [2] See p. 61, above.

and a leading member of the Italian delegation, Admiral Raineri Biscia, returned to their respective capitals for a week-end in order to consult with their Governments on this and other questions, and the French Government, whose delegates had been taking the lead in the fight for smaller battleships, decided to make a further effort to bring the United States Government round to their point of view. On the 19th February the French Ambassador in Washington approached the State Department with a plea that the American attitude should be reconsidered, but he was informed that the matter was in the hands of the American delegation in London, and could not be discussed independently in Washington. The negotiations were therefore resumed in London, and finally, by the end of the first week in March, agreement was reached on the 35,000-ton maximum—subject, however, to the provision that the question should be reviewed again before the end of 1940. It was also decided that the lower limit of battleship tonnage should be 17,500 tons, and that there should be a zone of no construction between 8,000 tons and 17,500 tons. It was now possible for the Drafting Committee to proceed with the preparation of the complete text of a treaty, which must include an 'escape clause' to provide for the contingency that Japan or some other non-signatory Power might exceed the limits set by the treaty to a degree that would endanger the security of the contracting parties.

Meanwhile two other difficulties of a political nature had been engaging the attention of the principal delegates. The first of these difficulties concerned the question of the adherence of states not represented at the Conference to any agreement that might be concluded. It was evident that the value of the treaty which was now taking shape would depend very largely upon the number of states which accepted the provisions for the exchange of information and for restrictions upon the maximum unit tonnage of warships. The withdrawal of Japan from the Conference had already created a serious gap in the ranks, but, from the point of view of the exclusively European Naval Powers, it was more important that Germany and the U.S.S.R. should be prevented from initiating a competition in types than that Japan should observe the terms of the treaty.[1] As

[1] Indirectly, however, the future actions of Japan were of interest to the European no less than to the Oceanic Powers, owing to the position of the British Empire as a connecting link between the two groups. If Japan's building programme were such that Great Britain found herself obliged to make a considerable increase in the total tonnage of her fleet, Germany would be entitled to a proportionate increase under the terms of the Anglo-German naval agreement of June 1935, and the ratio between her strength and that of France and Italy would be altered; while from the qualitative point of view

soon as qualitative limitation assumed a prominent place in the discussions at the Conference, it became necessary to consider ways and means of including Powers not represented at the Conference within the scope of any agreement that might be reached. The French objections to the extension of an invitation to attend the Conference to Germany were still maintained, and even if they could have been overcome it was by no means certain that Germany would have consented to send representatives to the Conference if an invitation had also been sent to the U.S.S.R., whose attendance was equally desirable. It was not until nearly the end of February that a solution of the difficulty was found. The expedient finally devised was that the British Government should invite the German Government to enter into negotiations for a bilateral Anglo-German agreement incorporating the terms of the treaty which would, it was hoped, be signed before the London Conference came to an end, and that at a later stage similar invitations should be sent to the U.S.S.R. and to other European states not represented at the Conference. Under this arrangement, if all went well, Great Britain would become the keystone of a system which would make qualitative limitation of general application, by placing the Governments of the individual states which possessed navies under a treaty obligation towards the British Government. The German Government gave their consent to the suggested procedure at the end of February, and Anglo-German negotiations on qualitative limitation and the exchange of information were opened a few days later.

The other political difficulty which was encountered during the last phase of the Conference arose out of the attitude of Italy. During the first two months of the Conference's existence, the Italian delegates had lived up to the promise of full and friendly co-operation which had been given by Signor Grandi at the opening session, and there had been no hint of the possibility that Italy might refuse to put her signature to any agreement that might be concluded. By the third week of February, however, reports from Rome began to indicate that Signor Mussolini was unwilling to go to the length of signing a treaty with Powers which were imposing sanctions upon Italy, and this impression was confirmed when Admiral Raineri Biscia returned to London after his brief visit to Rome. In a series of informal conversations, the Italian Government's objections to signing the treaty were at first explained on the technical grounds that they were not

the European Powers would be equally concerned if a Japanese initiative made it necessary for Great Britain to take advantage of the escape clause which would have to be included in the new treaty.

satisfied with the proposed arrangements regarding the size of battleships and the zone of no construction; but in fact there was no doubt that the obstacle was of a political nature. In these circumstances the delegates of the other three Powers finally decided—on the suggestion, it was said, of France—that a three-Power treaty should be signed as soon as the process of drafting was complete, and that it should be left open to Italy to adhere to it when the political circumstances had changed.

The Drafting Committee, which had been appointed on the 10th February, held its last meeting on the 20th March, and its report was adopted by the First Committee on the 22nd March. A final plenary session of the Conference was held on the 25th March, when the text of the treaty was signed on behalf of the United States, France, the United Kingdom, Canada, Australia, New Zealand and India. The delegates of the Irish Free State and South Africa refrained from adding their signatures, on the ground that the Dominions which they represented did not possess navies, while Signor Grandi, in the explanation which he offered of his Government's refusal to sign, abandoned any pretence that sanctions were not the obstacle.

The treaty[1] was divided into five parts. Part I contained definitions of standard displacement, categories and age limits.[2] Part II set out the agreed maximum limits of tonnage and gun calibre: 35,000 tons and 14-in. guns[3] for capital ships, with a lower limit of 17,500 tons and 10-in. guns; 23,000 tons and 6·1-in. guns for aircraft-carriers; 8,000 tons and 6·1-in. guns for 'light surface vessels';[4]

[1] The text will be found in the accompanying volume of *Documents on International Affairs, 1936*.

[2] The age limits were the same as those specified in the Washington and London Treaties (see the *Survey for 1930*, pp. 64–5), except in the case of capital ships, the age of which was raised from 20 to 26 years. This change had been effected in practice when the London Conference of 1930 had agreed to postpone replacement until after 1936.

[3] The limit of 14 in. was subject to the reservation that Japan and Italy should agree to conform to this provision before the treaty came into force, and in any case not later than the 1st April, 1937. If this condition were not fulfilled the maximum gun calibre would continue to be 16 in.

[4] These were defined in Part I as 'surface vessels of war other than aircraft-carriers, minor war vessels or auxiliary vessels, the standard displacement of which exceeds 100 tons and does not exceed 10,000 tons, and which do not carry a gun with a calibre exceeding 8 in.' Minor war vessels were vessels between 100 and 2,000 tons with guns less than 6·1 in., and auxiliary vessels were vessels normally employed in some other way than as fighting ships. It will be noticed that the maximum unit tonnage for light surface vessels was given as 10,000 tons in Part I of the treaty, which defined categories, and the provision that no ships of this type exceeding 8,000 tons should be built during the period of validity of the treaty was inserted in Part II of the treaty (Article 6).

2,000 tons and 5·1-in. guns for submarines. In regard to 'light surface vessels' it was stipulated that no vessels exceeding the agreed limits, that is, no 'A' cruisers of 10,000 tons with 8-in. guns, should be laid down or acquired prior to the 1st January, 1943, with the important reservation, however, that any contracting party should have the right, on notifying the other parties, to lay down vessels of the 'A' type if 'the requirements of the national security' of that party were considered to be 'materially affected by the actual or authorized amount of construction by any Power of light surface vessels.'

Part III contained the provisions for advance notification and exchange of information which have already been described in outline.[1] Part IV contained safeguarding clauses. These gave the signatory Powers the right to replace immediately any vessel which might be accidentally lost or destroyed before it had reached the age limit; and to depart from the provisions of the treaty, so far as was necessary in order to meet the requirements of national security, in the event of their becoming engaged in war, or in the event of the qualitative limitations set out in the treaty being exceeded by a non-signatory Power. It was laid down that any Power which desired to suspend the provisions of the treaty in such circumstances should immediately notify the other signatories, who would then consult together with a view to minimizing the extent of the departure from the agreed limits. A further clause made it possible for a contracting party to depart for the current year from its declared annual programme if it considered that its national security was affected by any 'change of circumstances' other than those for which specific provision was made.

The final clauses which constituted Part V of the treaty provided that it should come into force on the 1st January, 1937, or as soon thereafter as the ratifications of the signatory Powers had been deposited, and should remain in force until the 31st December, 1942; and that it should be open to accession by Japan and Italy at any time. There was also a provision that consultations should take place between the signatory Powers (on the initiative of the British Government) in the last quarter of 1940, in preparation for a Conference in 1941; and that in the course of these consultations there should be an exchange of views 'in order to determine whether, in the light of the circumstances then prevailing and the experience gained in the interval in the design and construction of capital ships', it might 'be possible to agree upon a reduction in the standard displacement or calibre of guns of capital ships to be constructed under future annual

[1] See pp. 94–5, above.

programmes and thus, if possible, to bring about a reduction in the cost of capital ships.'

There were two protocols attached to the treaty. A protocol of signature provided for consultation between the signatories in the event of any change of circumstances between the signature and the coming into force of the treaty, and for the preliminary exchange of information in the event of delay in ratification. In an additional protocol, the hope was expressed that the system of exchange of information might be continued permanently, and that it might be possible to conclude another treaty in future which would achieve a reduction in naval armaments.

When this treaty was signed on the 25th March, 1936, it was still too early to say whether it was likely to prove as effective an instrument for the limitation of naval armaments as the treaties which it would replace. It was obvious that its efficacy would depend to a large extent on the number of Naval Powers which accepted its provisions. For instance, the arrangements for notifying building programmes would certainly mark a great improvement on the existing system for exchange of information if they could be put into force between all the Naval Powers, but one Power which remained aloof and continued to conduct its naval building in secrecy would be in a position to detract very seriously from the value of the system. From this point of view, the signature of the treaty could not be regarded as a definitive act, and the indications were that the next stage, in which efforts would have to be made to secure the adherence of non-signatory states, would be difficult and protracted. The treaty was also criticized in some quarters on the ground that it contained no provision for quantitative limitation of the kind which had been made in the earlier treaties; while objections were raised to the qualitative chapter because it did not provide for any large reductions in maximum unit tonnage, and because, in virtue of the comprehensive escape clauses which it contained, the agreed limits would only be binding even upon the signatories of the treaty so long as they were not exceeded by a non-signatory. On the other hand, it could be pointed out in defence of the treaty that the qualitative chapter offered a practicable method of checking the race in types and sizes of guns and ships which experience had proved to be even more expensive and more disturbing to international relations than quantitative competition; and that provision was in fact made for quantitative limitation from year to year, in the articles which stipulated that annual building programmes should be notified in advance and should not be modified (save in exceptional circum-

stances) when once this notification had been made. This combination of a limitation of types with a limitation of quantities for a short period was considered by those who had taken part in the Conference to be a more satisfactory result of their deliberations than could have been expected in the light of the difficulties which they had had to overcome, and the congratulatory phrases which were uttered by the principal delegates at the concluding session were something more than a polite formula. The satisfaction of the delegates who signed the treaty was no doubt increased by the fact that, although all of them had had to give way on some point for the sake of agreement, none of them had made any sacrifice which seriously affected national interests, and all of them had had their own way over some matter to which they attached special importance. Thus the British Government were now free to construct as many cruisers as they liked of the type which they found most useful, and although the defeat of their attempts to secure a reduction in the size of battleships would cost them many thousands of pounds, this would be partially compensated for by the economies which could be effected in the cruiser programme, now that the 'A' type had been eliminated.[1] The French had also been obliged to give way on the question of the size of battleships, but they were pleased at the adoption of their proposal for the advance notification of building programmes (a method of restricting competition in armaments to which French opinion had come to attach special importance), and they found still greater reason for satisfaction in the omission from the treaty of the quantitative distinctions which they had resented so strongly. The Americans had accepted the fact that there were insuperable political difficulties in the way of a quantitative agreement on the lines of the earlier treaties, and had withdrawn their opposition to qualitative limitations unaccompanied by quantitative limitations; and they had also made concessions in regard to the type of cruiser to be built during the period of the treaty and in regard to the maximum calibre of guns in capital ships. On the other hand, they had succeeded in keeping the 35,000-ton battleships which they considered to be best suited to American needs, and they had safeguarded the position of the United States *vis-à-vis* Japan by retaining a free hand to maintain the existing ratios by outbuilding Japan.

Another question to which American opinion attached great importance, but which did not come within the scope of the new treaty,

[1] Current building costs for cruisers were about £200 a ton, and the reduction of 2,000 tons in the maximum tonnage would therefore result in a very considerable saving of expense.

was dealt with separately in an Anglo-American exchange of notes. This was the question of the maintenance of naval parity between the British Empire and the United States after the quantitative provisions of the Washington and London Treaties had ceased to be in force. By the end of the long-drawn-out naval negotiations, British and American views on the principal questions at issue had come nearer to one another, and the ultimate recognition that there was no important divergence of interest between the two Powers in this field made it possible for them to agree that the parity which had been established in principle at the Washington Conference should be maintained indefinitely. In a letter of the 24th March, Mr. Norman Davis referred to discussions which had taken place between the American and the British delegations in the course of the Conference, and placed it on record that the two delegations were 'in agreement that there shall be no competitive naval building as between ourselves and that the principle of parity as between the fleets of the members of the British Commonwealth and of the United States of America shall continue unchanged'. In his reply of the 25th March, Mr. Eden confirmed the British Government's 'full agreement that there must be no competitive building between our two countries, and that neither country should question the right of the other to maintain parity in any category of ship'. He added the further assurance that in estimating their naval requirements the British Government had 'never taken the strength of the United States Navy into account'.

(*f*) Building Programmes, 1936

During the period of nine months between the signature of the London Naval Treaty on the 25th March, 1936, and the expiry on the 31st December, 1936, of the Washington Treaty of 1922 and the London Treaty of 1930, active preparations were on foot for an expansion of naval building as soon as the restrictions imposed by the earlier treaties were removed. The construction which was actually put in hand during 1936 was, of course, governed by the terms of those treaties, but it was clear that the year 1937 would see the inauguration of a programme of capital-ship building which would cost the countries concerned many millions of pounds.[1]

[1] At the time when these decisions were taken, the question whether capital ships were or were not so vulnerable to attack from the air that their usefulness in time of war would be greatly limited, had not received a definitive answer (which could, indeed, only be given as a result of practical experience under war conditions). In the spring of 1936 a sub-committee of the British Committee of Imperial Defence was appointed to go into this question, but their

It has been mentioned that France and Italy had already begun the construction of 35,000-ton battleships before the London Conference assembled.[1] The two Italian ships, having been laid down in October 1934, were further advanced by the end of 1936 than the French *Richelieu*, which had been laid down a year later. A second French battleship of the same tonnage had also been authorized in 1935,[2] and this was to be laid down early in 1937. The French building programme for the year 1936, which passed the Chamber in March, was modest (it consisted only of three torpedo boats and an auxiliary vessel), but it was understood that the French Government intended to build one capital ship a year during the next seven years. It was improbable, however, that all of these would be of the maximum tonnage. The Italian Government did not make public their intentions in regard to the future construction of capital ships, and press reports at the end of October—to the effect that a large expansion of the Italian fleet was under consideration, in order to meet any possible threat from Great Britain in the Mediterranean—indicated that it was the Government's intention to concentrate principally, as in the past, on cruisers and submarines.

The future building programmes of France and of Italy would, of course, depend to a large extent on the actions of Germany, and at the end of 1936 the indications were that Germany intended to build as rapidly as possible up to the limit fixed by the Anglo-German agreement of June 1935. From the information which was made public officially, it appeared to be the aim of the German Government to reach the total tonnage of 420,000 tons to which the Anglo-German agreement entitled them by the end of the year 1942. The German fleet would then include three battleships of 35,000 tons each and two of 26,000 tons, as well as the three pocket-battleships which had been constructed before the practice of ignoring the provisions of the Versailles Treaty had been developed, two aircraft-carriers, fourteen cruisers, and a large number of destroyers and submarines. The new construction which was officially reported to have been put in hand during 1936 consisted of one battleship of 35,000 tons, one aircraft-carrier, one cruiser (of the 'A' type), six destroyers and eight

report, which was published in November 1936, was indecisive. They expressed the opinion that battleships could not be constructed so as to be completely invulnerable to bombing from the air, but that the design could be adapted to offer a substantial degree of protection. The majority of naval experts in all countries appeared to take the view that the large battleship must continue to form the backbone of the fleet, but there were also a certain number of authorities (notably in Great Britain) who dissented from this view.

[1] See pp. 67 and 77, above. [2] See p. 77, above.

submarines; and although French opinion was alarmed from time to time by rumours to the effect that additional building was going on in secret, it appeared probable that the published information was substantially accurate. French suspicions, however, were not without foundation; for at the beginning of October 1936 the first of the two 26,000-ton battleships which had figured in the German programme published in July 1935[1] was actually launched, and the launching of the sister ship followed two months later. It was obvious that work on these ships must have begun before the conclusion of the Anglo-German agreement in June 1935, and in fact it was made known that they had been laid down in 1934.

Of the Oceanic Powers, Great Britain was the first to announce her intentions in regard to capital ships. In a White Paper on defence[2] which was published on the 3rd March, 1936, while the London Conference was in session, the British Government made it known that the replacement of capital ships would begin in January 1937, when two new ships would be laid down; that the number of cruisers would be gradually increased to seventy; and that a steady programme of replacement of destroyers and submarines would be followed.[3] The two capital ships formed part of the 1936 building programme, although work would not actually begin on them until after the end of the year, and orders were placed for them in July 1936. Both were to be of the 35,000-ton type. The 1936 programme, which was made public in two instalments, in April and in July 1936, provided also for two aircraft-carriers, seven cruisers, eighteen destroyers, and seven submarines.

In the United States the Navy Department had let it be known in October 1935 that the programme for the financial year 1937 would probably include at least one battleship of 35,000 tons. In the spring of 1936 Congress voted the funds which would be necessary for the construction of two battleships, but the decision as to when they should be laid down was left to the President's discretion. The designs for the new ships were understood to be practically complete in the autumn of 1936, but the official announcement that they were to be laid down was postponed until after the Washington Treaty had expired. The American building programme for the financial

[1] See p. 77, above. [2] See the present volume, pp. 129–33, below.

[3] In December 1935, just after the London Conference had begun, the British Government had announced that, in view of the situation in the Mediterranean, they had decided to order seven destroyers in addition to those for which the 1935 programme provided. Supplementary estimates covering the cost of these additional destroyers had been introduced into the House of Commons a few days before the issue of the White Paper on defence. (See p. 134, below.)

year 1936 provided only for the construction of twelve destroyers and six submarines, and for a large addition to naval air strength.[1] In regard to cruisers, the naval authorities had evidently reconciled themselves to the idea of British numerical superiority, and it was understood that they contemplated the construction of some fifteen cruisers during the next five years. This would bring America's total strength in this category up to about fifty by the time when it was expected that the British maximum of seventy would be reached.

In Japan the highest possible degree of secrecy was observed in regard to the naval building programme in 1936. A third 'Replenishment Plan' was understood to be under consideration by the Cabinet in July,[2] but even when the Diet, in the middle of December, was asked to approve the expenditure required for the programme, no details of the plans for construction were revealed to it. Admiral Nagano, who had succeeded Admiral Osumi as Minister for Marine, was reported, however, to have announced that the intention was not to attain actual parity in tonnage with the United States and Great Britain, but to provide for national defence at a minimum cost by building a Navy suited to Japan's peculiar requirements. Later press reports, which were based on information that was gradually leaking out, were to the effect that the third 'Replenishment Plan' would be spread over five years, that its total cost would be about one milliard yen (£66,000,000 at par), that the units to be constructed included some battleships of 35,000 tons as well as aircraft-carriers, light surface vessels and submarines, and that there was also to be a large expansion of the naval air service.

It was a special feature of the year 1936 that recourse was had, for the first time, to the 'escalator' clause of the London Treaty of 1930. Part III of that treaty had specified the completed tonnage in the categories of cruisers, destroyers and submarines which the three Oceanic Powers might possess on the 31st December, 1936, and any of the signatories which possessed tonnage in excess of the figures given would therefore be obliged to scrap it before the end of 1936. The escalator clause made it possible, however, for any signatory which considered that 'the requirements of the national security' were 'materially affected by new construction' on the part of a non-signatory, to increase its tonnage in any category on giving notice to the other signatories, who would then become entitled to make proportionate increases in that category. Great Britain, which was more closely affected than the United States or Japan by the construction of non-signatory Powers, might have invoked the

[1] See also p. 140, below. [2] See pp. 144–5, below.

escalator clause when Germany resumed naval building in excess of the limits set by the Versailles Treaty, but she had preferred to deal with that particular problem by means of a bilateral agreement with Germany. In 1936, however, the situation was different. After the end of the year all quantitative restrictions would cease to be in force, and there was a widespread feeling that it would be unreasonable to scrap tonnage which was still serviceable in order to keep within the letter of a law that was so soon to expire. The British Empire possessed more than 40,000 tons of destroyers and a number of cruisers which were over-age and due to be scrapped during 1936. In the case of the cruisers there was no unexpected new construction by non-signatory Powers which could be said materially to affect British security now that the question of German building had been settled; and although an invocation of the escalator clause in respect of destroyers would be justifiable, in view of the rapid increase in the submarine fleets of European countries, the British Government felt that it would be preferable to avoid that method if possible.

At the beginning of May 1936 the British Government approached the Governments of the United States and Japan with the suggestion that those Powers should agree to the retention of 40,000 tons of British destroyers without an invocation of the escalator clause. Both the United States and Japan, in their replies, stated a preference for action in accordance with the terms of the London Treaty, which would automatically confer upon them the right to increase their destroyer tonnage. The British Government fell in with this view, and they gave the formal notification required in the middle of July. The United States Government announced in August that they also would retain 40,000 tons of over-age destroyers. The proportion of destroyer tonnage which Japan became entitled to retain was 28,000 tons, but she had not sufficient destroyers which were over-age to make up the full amount. She announced, therefore, that she would keep 11,000 tons of destroyers and 15,600 tons of submarines (in the submarine category she already possessed 20,000 tons in excess of her quota, and due to be scrapped). This arrangement was not in strict accordance with the terms of the treaty, but no serious objection was raised to it by the other Powers.

In regard to cruisers, the British Government notified the other Governments concerned in May 1936 of their intention to retain four 'A' type cruisers which were over-age, but to transfer three of them to the 'B' class by mounting smaller guns, and use the fourth for training purposes. In order that the permitted tonnage in 'B' cruisers might not be exceeded, it was proposed to scrap five small

cruisers of about 4,000 tons each. This arrangement was accepted by the United States and Japan, but during the later months of 1936 a strong movement against the scrapping of the five small cruisers made itself felt in Great Britain. The Government were anxious not to take any step which might lay them open to the charge of treaty-breaking, but the objection that there was no legal ground for applying the escalator clause in the case of cruisers was finally overruled by the common-sense argument against the destruction of serviceable vessels at a time of great international tension and of expansion in naval building. The British Government ascertained that the Governments of the United States and Japan would not object to their having recourse to the escalator clause again in the circumstances, and the formal step was taken in December. The United States had not sufficient over-age cruiser tonnage to retain, and the Government therefore took a leaf out of Japan's book and announced that they would keep another 19,000 tons of destroyers, while Japan herself notified her intention again of keeping a proportionate amount of submarine tonnage.

Another question which was the subject of diplomatic exchanges between the three Oceanic Powers during the year 1936 was that of the position in regard to naval bases in the Pacific after the Washington Treaty had ceased to be in force. This question had not been formally discussed at the London Conference, but after Japan had withdrawn from the Conference the British Government approached the other two Powers concerned through diplomatic channels, and asked for information as to their intentions in the matter. This *démarche* does not appear to have elicited any definite reply, but some months later the British Government reopened the question by submitting to the Governments of Japan and of the United States a proposal for the renewal of Article 19 of the Washington Treaty. This suggestion for the maintenance of the *status quo* in regard to fortifications and bases did not meet with the approval of either of the other parties concerned. The American Government informed the British Government in September that they were unwilling to accept the simple prolongation of the arrangement which had been entered into at the Washington Conference, and that they could only consent to renew their undertaking as part of a wider system which would deal also with such matters as the neutralization of the Philippine Islands, and would in fact regulate the whole situation in the Pacific afresh. The Japanese Government had not replied to the British suggestion before the end of 1936, but it was known that they also were not prepared to agree to a renewal of the Washington Treaty

provisions regarding bases without certain modifications in their favour. Towards the end of the year the suggestion was thrown out —in the informal manner which Japanese diplomacy preferred— that the questions of the neutralization of the Philippines and of the fortification of Pacific bases might be discussed direct between the United States and Japan. The equally informal response from Washington made it clear that any proposal for bilateral Japanese-American negotiations would be rejected, and that Far Eastern problems, in the American view, could only be dealt with at a Conference at which all the states interested would be represented. At the end of the year 1936 the prospects for the assembly of a new Washington Conference did not appear to be favourable, and with the lapse of the Washington Treaty on the 31st December the Oceanic Powers regained their freedom to make whatever changes they chose in the matter of Pacific fortifications and bases.

(*g*) The Negotiation of Bilateral Naval Agreements and the Ratification of the London Treaty

The Three-Power Naval Treaty of the 25th March, 1936, did not come into force on the 1st January, 1937, owing to the fact that by that date it had been ratified only by the United States. The treaty was sent to the Senate in Washington for consideration early in May 1936, and if none of the Senators showed any great enthusiasm for its provisions, there was also a complete absence of any strong opposition. Admiral Standley was able to satisfy the Foreign Affairs Committee of the Senate in regard to the only point on which there was serious discussion—the question whether American interests would be adversely affected by the reduction in the maximum size of cruisers—and the Senate ratified the treaty without a dissentient vote on the 18th May after a debate of only two hours' duration.

In France and Great Britain no steps were taken during 1936 to secure parliamentary approval for the new treaty. The reason for this omission was the desire of the two Governments to await the decisions of Japan and Italy in regard to their adherence to the treaty, as well as the results of the bilateral negotiations which Great Britain had undertaken to initiate with the object of bringing other Naval Powers within the scope of the arrangements.

When the Japanese representatives withdrew from the London Conference, and the remaining delegates decided to go on with the discussion of exchange of information and of qualitative limitation, there had remained the possibility that the Government at Tokyo, having made their gesture in regard to quantitative parity, might

find themselves able to accept provisions for publicity and for qualitative restrictions, even though they had not taken part in the negotiation of the treaty. Reports from Japan while the Conference was still in session and the treaty was taking shape indicated that there was nothing in its terms to which the Japanese Navy took exception, but any hope that Japan might accede to the treaty, in accordance with the provisions of Part V, was soon dispelled. The comments of the Japanese press on the treaty showed that the objections which Japan had raised throughout the negotiations to considering the qualitative aspect of naval armaments independently of the quantitative aspect still held good, and that there was no prospect of her acceptance of the new treaty. Japanese naval opinion, which was able to congratulate itself on having achieved the abolition of the Washington ratios without any serious disturbance of international relations, took the view that Japan's prestige and her material interests would best be served by the retention of complete freedom in regard to the types as well as to the numbers of her warships. The principal advantage which Japan would derive from acceding to the London Treaty would be that she would then be entitled to receive information in advance regarding the building programmes of other signatory Powers; but in this respect, also, freedom from the corresponding obligation upon Japan to make her own plans known was considered to outweigh the advantage. A formal decision not to adhere to the London Treaty in the existing circumstances was taken by the Japanese Cabinet on the 23rd June and was communicated to the British Government on the 29th.

This decision destroyed all hope for the time being that the new system might be made applicable to all Naval Powers; but so far as the danger of Japanese competition was concerned the situation was not regarded as unduly serious. In theory, Japan would be free after the 31st December, 1936, to construct warships which could outclass every vessel in existence, but in practice it seemed more probable that she would be willing to keep within the limits which the other Principal Naval Powers had agreed to accept. From the point of view of prestige, Japan might be tempted to build battleships which would be the largest in the world,[1] and in May 1936 there were rumours, which were promptly and emphatically denied, that she was planning a capital ship of 55,000 tons; but a Government who were already devoting nearly half their revenue to expenditure on defence were

[1] It may be noted in this connexion that no vessel of more than 35,000 tons could pass through the Panamá Canal, so that a battleship exceeding that limit might be thought to give Japan an advantage over the United States.

likely to give due consideration to the tremendous cost of initiating a competition in types. The other Governments, therefore, had some grounds for believing in the sincerity of the Japanese Government's repeated protestations that they were most anxious to avoid a naval race.

As for Italy, the attitude which she had adopted at the London Conference made it appear probable that her accession to the treaty would only be a question of time. It was not until after the turn of the years 1936 and 1937, however, when negotiations which had been going on between Great Britain and Italy in regard to the position in the Mediterranean had been successfully concluded,[1] that the Italian Government gave any sign of willingness to accept the terms of the Naval Treaty. On the 15th January, 1937, the Italian Government notified the other Governments concerned of their intention not to mount guns more than 14 in. in calibre in their capital ships, and thus did their part towards fulfilling the conditions which would make the 14-in. maximum of general application.[2] The Italian Government's gesture, though satisfactory in itself, was not of practical importance except in so far as it could be interpreted as foreshadowing Italy's adherence to the treaty as a whole; for the coming into force of the provision regarding 14-in. guns was dependent upon its acceptance by Japan as well as by Italy, and on the 27th March, 1937, the Japanese Government notified the British Government of their refusal to accept the 14-in. maximum. The Japanese Government were said to have refrained from giving any reasons for their decision in their official notification, but from the comments in the Japanese press it appeared that their refusal was based partly on the objections which they had maintained throughout the negotiations to qualitative limitations which were not accompanied by quantitative limitations, and partly to the belief that acceptance of the 14-in. limit would give an undue advantage to the other Principal Naval Powers whose existing capital ships armed with 15-in. guns outnumbered those of Japan.[3] Whatever the motives for the Japanese Government's decision may have been, its effect would be the nullification of one of the few measures for the qualitative reduction (as opposed to the limitation) of naval armaments which it had been possible to include in the London Treaty of 1936.

[1] See the present volume, Part IV, section (ii).

[2] See p. 100, footnote 3, above.

[3] The Japanese Government had also, no doubt, taken note of the information which had been made public regarding the Anglo-Russian naval negotiations, in the course of which the British Government had conceded to the Soviet Government the right to mount 16-in. guns in two capital ships. (See p. 115, below, footnote 2).

The bilateral negotiations between Great Britain and Naval Powers which had not been represented at the London Conference did not produce any definite result until July 1937, when agreements were concluded between Great Britain and Germany and Great Britain and the U.S.S.R. The beginning of negotiations with Germany had coincided with the military reoccupation of the Rhineland;[1] but in spite of the strain which that event imposed upon the relations between Germany and the other Western Powers, the naval conversations made good progress at first, and when the London Conference dispersed it was expected that the conclusion of an Anglo-German agreement on the lines of the London Treaty would be announced before long. The difficulties which supervened at this stage arose principally out of the reluctance of the German Government to commit themselves in the matter of qualitative limitations until the Government of the U.S.S.R. had given a similar undertaking.

The Soviet Government had accepted an invitation to discuss naval questions with Great Britain by the end of April 1936, and the conversations were opened in the middle of May. The German Government's insistence that the U.S.S.R. must enter the system had its counterpart in a Russian stipulation that any form of limitation accepted by the U.S.S.R. must also be binding upon Germany; but the Russian negotiators also made it a condition from the outset that, in the event of Japan's building outside treaty limits, the U.S.S.R. should have special facilities for meeting this construction immediately as far as the Far East was concerned. This condition was accepted as reasonable by the British Government, and at the end of July 1936 an Anglo-Russian agreement in principle was announced. The terms of a draft treaty between the United Kingdom and the U.S.S.R. were then communicated to the German Government, but they raised objections to certain of its provisions, and nearly a year elapsed before a solution that was satisfactory to all three parties was found. On the 17th July, 1937, however, the negotiations were brought to a successful conclusion by the simultaneous signature in London of naval agreements between the British Government and the German Government and between the British Government and the Soviet Government.

By these agreements,[2] Germany and the U.S.S.R. undertook, subject to certain reservations, to observe the provisions of the

[1] See the present volume, Part III, section (i).

[2] The text of the Anglo-Russian agreement was published as the British White Paper *Cmd.* 5518 of 1937, and that of the Anglo-German agreement as *Cmd.* 5519. See also *Documents on International Affairs, 1936.*

London Naval Treaty of the 25th March, 1936, relating to the qualitative limitation of naval armaments and to the exchange of information regarding building programmes. The Anglo-Russian agreement provided that the limitations and restrictions of the London Treaty should not apply to the Soviet naval forces in the Far East 'so long as there shall not be concluded a special agreement between the U.S.S.R. and Japan on this subject', but the Soviet Government undertook, nevertheless, not to 'construct or acquire any vessels exceeding the said limitations and restrictions, except in the event of such construction or acquisition by Japan or any other Power in the Far East'. Thus the onus for any departure from the London Treaty limits was placed upon Japan, and so long as the Japanese Government refrained from building types which exceeded the limits the Far Eastern fleet of the U.S.S.R. would, in practice, be subject to the same qualitative restrictions as her Baltic and Black Sea fleets. The agreement stipulated that if the Soviet Government, as a result of prior action by another Far Eastern Power, should desire to build in excess of the treaty limits, they should be free to do so on notifying the Government of the United Kingdom, who would then have the right to communicate the Soviet Government's intentions confidentially to the Powers with whom they were in similar treaty relations.[1] It was also expressly laid down in the agreement that the reservation in respect of the Soviet Government's Far Eastern fleet should not entitle them to transfer to other waters any vessels which might exceed the treaty limits.

One of the principal difficulties which had been encountered in the course of the negotiations had arisen in connexion with cruisers, and this question was dealt with by means of special provisions in both the Anglo-Russian and the Anglo-German agreements. The Soviet Government had been unwilling to accept the qualitative limitations on cruisers which the London Treaty had imposed (8,000 tons displacement and 6·1-in. guns) because they were already building cruisers to mount 7·1-in. guns; they had contended that their arsenals were not equipped for the construction of 6·1-in. gun cruisers, and that their programme would be greatly delayed if they were obliged to alter the calibre of their guns. The German Government were naturally unwilling, for their part, to accept any arrangement which might give the Russian cruiser fleet an advantage over the German

[1] In the chapter of the agreement relating to the exchange of information, a reservation released the Soviet Government from the obligation to furnish information regarding naval construction in their Far Eastern territories which was not in excess of treaty limits, so long as a similar agreement with Japan was not in force.

fleet, and the difficulty was finally overcome by allowing both Powers (and also Great Britain) to exceed the London Treaty limits in respect of cruisers. By Article 6 of both the Anglo-Russian and the Anglo-German agreement, either of the contracting parties might, on notifying the other party, lay down or acquire 'light surface vessels of sub-category (*a*)' (i.e. vessels of a displacement between 8,000 and 10,000 tons, mounting guns more than 6·1 in. but not more than 8 in. in calibre.) This provision was elucidated in a supplementary exchange of notes which was attached to the Anglo-German agreement. This made it clear that it was the intention of the Soviet Government to build seven cruisers with a displacement of 8,000 tons and 7·1-in. guns. By the Anglo-German naval agreement of the 18th June, 1935,[1] which gave Germany the right to build up to 35 per cent. of British naval strength, Germany was entitled to construct five 'A'-type cruisers with a maximum displacement of 10,000 tons and 8-in. guns; but at the time of the signature of the 1935 agreement the German Government had undertaken not to build more than three of these large cruisers, provided that no more vessels of that type were laid down by any other Power. In view of the Russian Government's decision to build cruisers with 7·1-in. guns, it was agreed between the British and the German Government that the earlier Anglo-German understanding on this point should be regarded as having lapsed, and that the German Government should be free to lay down or acquire two more 'A'-type cruisers. Nevertheless, the German Government stated that they were 'prepared not to avail themselves of their freedom of action unless special circumstances' should arise which would 'compel them to do so', and they undertook in that event to notify the Government of the United Kingdom before putting the work in hand.

The other qualitative limitations which had been imposed by the London Naval Treaty were accepted by both Germany and Russia, with the exception that the maximum calibre of guns which might be mounted in capital ships was fixed at 16 in. instead of the 14-in. maximum which had been agreed upon provisionally at the London Conference.[2] It will be seen that while the signature of the Anglo-German and Anglo-Russian agreements might justifiably be claimed

[1] See the *Survey for 1935*, vol. i, Part I, section (vi) (*i*).

[2] See p. 100, above. The Anglo-German and Anglo-Russian agreements were not signed until after the Japanese Government had notified the other Powers of their refusal to accept the 14-in. maximum (see p. 112, above); but it may be noted that the right of the Soviet Government to construct two capital ships with 16-in. guns was reported to have been one of the items on which provisional agreement had been reached between the U.S.S.R. and the United Kingdom as early as July 1936 (see p. 113, above).

as an important step forward—inasmuch as two more Great Powers were brought by this means within the scope of arrangements for the limitation of naval armaments—this success had not been achieved without a raising of qualitative limits and a corresponding loss of some of the ground which had been won, after much hard bargaining, at the London Conference some eighteen months earlier.

While the negotiations with Germany and the U.S.S.R. had been going on, the British Government had also entered into conversations with certain of the lesser Naval Powers. Anglo-Polish negotiations had begun at the end of May 1936, and in the following September steps had been taken to initiate discussions with the Scandinavian group of states. In the middle of December 1936 had come the announcement that preliminary conversations were also in progress in regard to the possibility of an Anglo-Turkish naval agreement. This series of negotiations might be expected to present fewer obstacles than had been encountered in the case of the conversations with Germany and the U.S.S.R.; but at the same time it was difficult for much progress to be made while the Anglo-German and Anglo-Russian agreements were still under discussion. At the end of July 1937 the British Government's conversations with the lesser Naval Powers had not yet produced any definite results.

Meanwhile, when the Anglo-German and Anglo-Russian negotiations were approaching completion, but before the agreements had been signed, the French Government had taken the step of ratifying the London Naval Treaty of the 25th March, 1936. Formal notification of the act of ratification was given to the British Government by the French Ambassador in London on the 24th June, 1937. The British Government followed suit after the signature of the Anglo-German and Anglo-Russian agreements. A Bill for the ratification of the London Naval Treaty was passed by both Houses of Parliament at Westminster and received the Royal Assent during the last week of July, and on the 29th July, 1937, instruments of ratification were deposited at the Foreign Office in Whitehall on behalf of the Governments in the United Kingdom, Canada, Australia, and India. With this completion of the formalities, the treaty of the 25th March, 1936, came into force and the 'treaty-less period' which had begun with the expiry of the earlier naval treaties on the 31st December, 1936, was brought to an end.

(iii) The Development of Rearmament in 1936

(a) Introductory

> It is necessary to be strong, it is necessary to be ever more strong, it is necessary to be so strong as to be able to confront all the eventualities and look firmly in the eyes any destiny whatsoever. To this supreme and categorical necessity must be subordinated and will be subordinated the whole life of the nation.

When Signor Mussolini spoke these words at Avellino on the 30th August, 1936, at the conclusion of the annual manœuvres of the Italian Army, he was enunciating a principle which was being taken as a basis of national policy at that time not by Italy alone, but by states of every calibre in every part of the World. The rapid expansion of armaments, which was the outcome of this widespread belief that the strong man armed would be able to keep his goods in peace, was indeed one of the most notable and the most ominous features of the international scene in the year 1936.

In Europe, where a new armaments race had been gaining momentum since the withdrawal of Germany from the Disarmament Conference in October 1933[1] and the breakdown of the subsequent diplomatic negotiations in April 1934,[2] the most important factor in 1936 was the determination of H.M. Government in the United Kingdom to make up with all possible speed for the lee-way which they had lost in the years before they abandoned hope of general disarmament. The British Government's plans for rearmament were made public at the beginning of March,[3] and at the same time steps were taken with a view to the co-ordination of defence measures.[4] Provision for the cost of the programme for the financial year 1936–7 was made in the Budget in March[5] and in supplementary estimates which were issued in April[6] and July;[7] the total estimated cost of the Army, Navy and Air Force during the year amounted to nearly £190,000,000 as compared with a total of £137,500,000 for the previous financial year.

During 1936, also, the French Government, who had not allowed their strength to decline to the same extent as the British, were still obliged to strain every nerve in an endeavour to keep a sufficient margin of superiority over Germany in armament material to com-

[1] See the *Survey for 1933*, Part II, section (iii) (*d*).
[2] See the *Survey for 1935*, vol. i, Part I, section (ii).
[3] See pp. 130–3, below.
[4] See p. 130, below.
[5] See pp. 134–5, below.
[6] See p. 139, below.
[7] See p. 145, below.

pensate for the inability of France to compete with Germany in the number of effectives that could be put into the field. Measures for improving the organization of defence which were taken during the year in France included the passing of legislation for the nationalization of war industries[1] and the adoption of proposals for strengthening still further the system of frontier fortifications;[2] but the most important developments were in connexion with air strength. The existing programme which provided for the construction of more than 1,000 aircraft was practically doubled in September,[3] in response to the recent increase in the period of military service in Germany[4]—this expansion of the Air Force being the principal item in a four-years' programme for improving French defences which was expected to cost frs. 14,000,000,000.[5]

While the 'democratic' Great Powers of Europe were thus equipping themselves for the task of dealing with an aggressor, the nation which, in French and British eyes, filled the rôle of potential aggressor *par excellence* was still forcing the pace in a race which she could hardly hope to win against a union of such formidable competitors, and was putting all her tremendous driving force into the effort to organize the entire nation for war. At the beginning of the year 1936 it was claimed that Germany had already attained to parity in air strength with Great Britain,[6] and, from information which was made public at intervals during the year,[7] it appeared that rapid progress was also being made in building up Germany's naval forces to the level permitted by the Anglo-German naval agreement of June 1935.[8] The outstanding event in the process of German rearmament during 1936, however, was the decree of the 24th August, fixing the period of military service at two years instead of one[9]—an event which was itself a sequel to the decision of the Russian Government to lower the age for military service,[10] and which, in its turn, stimulated the French Government into fresh activity.[11] Within three weeks of the issue of the German decree of the 24th August there followed the announcement by Herr Hitler of his plans for attaining to self-sufficiency in raw materials in the course of the next four years.[12]

[1] See pp. 143–4, 152, below.
[2] See pp. 143, 148, 155–6, below.
[3] See p. 148, below.
[4] See p. 147, below.
[5] See p. 148, below.
[6] See p. 123, below.
[7] See pp. 140–1, 156, below.
[8] See the *Survey for 1935*, vol. i, Part I, section (vi) (*i*).
[9] See p. 147, below.
[10] See pp. 146–7, below.
[11] See above, and pp. 147–8, below.
[12] See pp. 148, 153, below.

Totalitarian preparation for war was the order of the day not only in Germany but also in Italy, whose victory in Abyssinia in May 1936 was not followed by any relaxation of the feverish activity at home which had been set in motion in order to supply the men and the munitions that had been needed for the East African adventure. The virtual nationalization of those Italian industries which were of importance from the point of view of national defence was announced in March,[1] while the point to which the conscription of man-power had been carried was indicated by Signor Mussolini's statement at the end of August that 8,000,000 men could be mobilized at a few hours' notice.[2] Plans for improving the equipment and organization of the Army and for increasing air strength were made public in March,[3] when the annual Budget was under consideration, and a further expansion of all three fighting services—and especially the Air Force—was provided for in a programme which was approved by the Cabinet in September.[4]

A development on similar lines was also making rapid progress during 1936 in the territory of the third European Great Power that was under a dictatorial régime. Not content with possessing armed forces which had reached a strength of 1,300,000 men by the beginning of the year,[5] the Soviet Government issued on the 11th August a decree lowering the age for military service from 21 years to 19[6] —a measure that provoked the repercussions in Germany to which reference has already been made. As in other countries, a considerable proportion of the Soviet Government's expenditure on defence was on account of the Air Force (which was officially declared in November to be the most powerful in the world);[7] but there were also important developments during the year in connexion with the naval forces of the U.S.S.R.[8] Russia was generally acquitted (except in Berlin and Tokyo and Rome) of any immediate aggressive intention in her military preparations; and indeed, in justification for their own exertions in the armaments race, the Soviet Government had only to point to the fact that Russian territory constituted a bridge between the two focal points round which the movement of rearmament was spreading in ever-widening circles. In presenting the Budget for 1936, in which increased provision was made to meet the cost of national defence,[9] the Chairman of the Council of People's Commissars, Monsieur Molotov, stated explicitly that the increase

[1] See p. 128, below. [2] See p. 149, below. [3] See p. 127, below.
[4] See pp. 149, 152–3, below. [5] See p. 125, below.
[6] See pp. 146–7, below. [7] See p. 157, below.
[8] See pp. 125, 157, below. [9] See pp. 124–5, below.

was a consequence of the aggressive attitudes of Germany and Japan.

The control of Japanese foreign policy by the fighting services was not a new phenomenon in 1936, and an uncertainty as to the use which Japan was likely to make of her accumulating armaments played as important a part in the situation in the Pacific as the similar doubt in regard to Germany's intentions played in Europe. The Japanese estimates for the financial year 1936–7 were twice increased by pressure from the fighting services before they were finally approved in May;[1] and in July a long-range programme, involving an enormous expenditure over a period of twelve years, was presented by the War Department to the Cabinet.[2] Japan's plans for the future included provision for changes in the organization of air strength and for greater control of industry in the interests of national defence,[3] as well as for the equipment of the Army and for participation in the new and quantitatively unrestricted competition in naval building which was already beginning in 1936—owing very largely to the attitude of Japan herself.[4]

Japan's position as one of the Principal Naval Powers of the World made her armaments policy a matter of vital concern to the other Powers which shared that title with her. Japanese action added to the burdens of the British taxpayer, whose Government's hopes of reducing naval armaments were finally given up when Japan withdrew from the London Naval Conference in January 1936;[5] and the attitude of Japan was certainly not the least weighty of the considerations which moved the Congress at Washington when they made provision for the expenditure upon the fighting services of the largest sum that had ever been appropriated in time of peace for the defence of the United States. Of the total of nearly $1,100,000,000 which the United States Government were authorized to spend on the fighting services during the financial year 1936–7, a little more than half was allocated to the Army[6] and the balance to the Navy;[7] the cost of the developments in air strength[8] which represented a considerable proportion of the total sum was divided between the Appropriation Bills for the two services.

No less significant than this competition in rearmament between the Great Powers of the World was the progress of the lesser states in the same direction. Faced with the breakdown of the system of

[1] See pp. 123–4, 140, below.
[2] See p. 144, below.
[3] See pp. 144–5, 150, below.
[4] See section (ii) of this part of the present volume, and p. 124, below.
[5] See pp. 93–4, above.
[6] See pp. 128, 140, below.
[7] See pp. 139–40, below.
[8] See pp. 128, 140, 143, 157, below.

collective security, the majority of the smaller nations of Europe, whether they saw their best hope of safety in a policy of alliances or in the maintenance of, or partial return to, a status of neutrality,[1] were of one mind in thinking that it was incumbent upon them to strengthen their defences. In this spirit, democratic[2] Czechoslovakia, who occupied a peculiarly exposed position in the Europe of 1936, calculated that her alliances with France and with Russia would not save her from destruction unless she herself were capable of warding off the first impact of an aggressor; and in this conviction she carried her organization for defence to a point which could hardly be surpassed by a dictator when she enacted legislation which placed the whole of the material resources of the state and the whole of its man-and-woman-power at the disposal of the authorities in the event of an actual or threatened emergency.[3] Poland and the other 'successor states' in Eastern Europe combined in varying degrees an inclination towards aloofness with a determination to build up their systems of defence to a point which might be expected to deter an aggressor. The same combination was to be found in Belgium, who turned her face in 1936 in the direction of detachment from alliances but at the same time made clear her intention of arming herself to her full capacity.[4] Belgium's neighbour, the Netherlands, found herself obliged in 1936 to contemplate circumstances in which she might have to defend by force of arms the neutrality that she had succeeded in maintaining in 1914–18;[5] and Sweden[6] and Switzerland[7] were other examples of states which had been neutral in the past and which might again cultivate a policy of aloofness, but which nevertheless now recognized with reluctance the necessity for strengthening their defences. The right of a small state to arm itself in self-defence even at the expense of treaty obligations was tacitly admitted in the case of Austria, whose reintroduction of conscription evoked little more than a formal protest from the states members

[1] See pp. 2 *seqq.*, above. The return to neutrality in the pre-war sense was not complete, since none of the lesser states that were now attempting to retire into a position of aloofness went the length of repudiating their obligations under the Covenant of the League of Nations.

[2] Czechoslovakia's claim to be a democratic state would no doubt have been disputed at that time by the non-Czech and non-Slovak minorities in the population of the Republic. On the other hand, the Czech and Slovak majority, at any rate, was genuinely enjoying the liberties of Democracy in the contemporary sense of living under a Government that was responsible to a popularly elected parliament; and it was this parliament that voted the new totalitarian defence legislation at the Government's instance.

[3] See pp. 141–2, below.

[4] See pp. 125–6, 144, 154, 158, below.

[5] See pp. 126–7, 158–9, below.

[6] See pp. 128–9, 143, below.

[7] See pp. 138, 142, 153–4, below.

of the Little Entente[1] (though these showed a less benevolent disposition towards the rearmament of the more aggressive-seeming Hungary).[2]

The rearmament movement was not confined to the small states of Europe. Canada, who had once claimed that she 'lived in a fireproof house',[3] had come to the conclusion before the end of 1936 that it was necessary to increase the premium on her insurance policy,[4] and the deepening anxiety of the other states members of the British Commonwealth, whose geographical position was less favourable than that of Canada, was reflected in their rising expenditure on defence.[5] The rearmament infection was spreading in 1936 even in Latin America[6]—a region of the world where small states could afford to discount almost completely the threat of aggression from a Great Power, though they were not yet immune from the danger of internecine warfare.

A detailed study of the rearmament movement during the year 1936 would involve an examination into the political and economic structure of the majority of the states of the world which would be beyond the scope of the present volume,[7] but some impression of the nature and extent of the process, and of the manner in which measures and counter-measures were linked together in a rapidly lengthening chain of cause and effect, can perhaps be conveyed by a narrative in which the principal developments in this ever-widening field are set out in their chronological sequence.

(*b*) From the Beginning of the Year 1936 to the End of March

The first item on the rearmament news-reel for 1936 came from Portugal and focused attention at the outset on the danger of a division of Europe into 'ideological' camps. The Portuguese Government who, on New Year's Day, approved a five-year plan of rearmament at a cost of £5,000,000, presumably did not contemplate using the weapons which this sum would procure for the defence of the overseas possessions which were the only Portuguese asset that was likely to tempt an aggressor; but their motive was not far to

[1] See pp. 137, 511, below. [2] See pp. 511–12, below.

[3] This claim was made by the Canadian delegate at the fifth session of the League Assembly in 1924 (see A. J. Toynbee: *The Conduct of British Empire Foreign Relations since the Peace Settlement*, p. 9).

[4] See p. 151, below. [5] See pp. 136–7, 138–9, 146, 150, below.

[6] See pp. 128, 157–8, below.

[7] Some account of the part played by rearmament in the general economic trend of the year will be found in Part II, section (ii), below.

seek, for they shared Herr Hitler's views in regard to the seriousness of the 'Red menace', and they were uneasily conscious of the close proximity of a powder-magazine which did in fact take fire before the year was much more than half-way through.[1]

The month of January was marked in both Italy[2] and Germany[3] by new steps towards the attainment of the Fascist and Nazi conception of a war-minded nation. The Italian Cabinet decided on the 20th January on the introduction of a system of personal booklets in which would be entered particulars of the physical condition and military preparedness of all males between the ages of 11 and 32. A few days later came a report from Milan that the organization for the military training of Italian youth was being carried to its logical conclusion and that already in the province of Milan 130,000 boys under the age of six (the minimum age for admission to the 'Balilla') had been recruited for a 'pre-Balilla' organization.

The process had not yet been carried quite so far in Germany, where, on the 6th January, Herr Baldur von Schirach, the Reich 'Youth Leader', issued a message foreshadowing the conscription of children from ten years upwards for pre-military athletic, social, and political training in state organizations. Ten days later, in a speech at Berlin, Dr. Goebbels launched the famous slogan of 'guns instead of butter'—declaring that while some people might put their trust in the world conscience and the League of Nations, he preferred to rely upon guns. At the beginning of February foreign press correspondents in Berlin reported that, according to information which had recently become available, the organization of the thirty-six divisions which had been mentioned in the German law of the 16th March, 1935, reintroducing conscription,[4] would be completed by the end of the year 1936. The number of fully or partly trained men that Germany could put into the field would then be 1,600,000. It was also reported that the German Air Force had already reached parity with the British Air Force, and that factories were being organized for the production of 4,000 aeroplanes a year.

In Japan,[5] at the end of the year 1935, the Cabinet had been considering the Budget for the coming financial year and the struggle over the estimates between the civilian element, represented in particular by the veteran Minister of Finance, Mr. Takahashi, and

[1] The Spanish Civil War and its international repercussions will be dealt with in a subsequent volume.

[2] See also pp. 127–8, 141, 144, 149–50, 152–3, 154–5, below.

[3] See also pp. 140–1, 143, 144, 147, 148, 149, 153, 156, below.

[4] See the *Survey for 1935*, volume i, p. 141.

[5] See also pp. 140, 144–5, 150, below.

the naval and military leaders had been more than usually severe. Mr. Takahashi had warned his colleagues that the drain upon the country's financial resources to meet the demands of the fighting services could not continue indefinitely.[1] Mr. Takahashi was, however, powerless to prevent the adoption by the Cabinet of estimates which allocated 1,059,000,000 yen to the Army and Navy, as compared with 1,022,000,000 yen for 1935–6, and which, in order to provide this sum, cut down administrative expenses to the minimum and reduced still further the already inadequate appropriations for education and agriculture. This Budget was introduced into the Diet by Mr. Takahashi on the 20th January, but on the following day the Diet was dissolved; on the 26th February, 1936, Mr. Takahashi (whose statement to the Cabinet had received an unusual degree of publicity) was assassinated in a military revolt;[2] and the revised Budget which was adopted thereafter made still further increases in the provision for the fighting services.[3] Meanwhile, on the 15th January, the Japanese delegation had withdrawn from the London Naval Conference in consequence of the refusal of the other delegations to accept their proposal for a 'common upper limit' and had thereby destroyed the last hope that an agreement for the 'quantitative' reduction of naval armaments might be concluded to take the place of the expiring naval treaties.[4]

Among the Great Powers which were on the defensive, Great Britain[5] was occupied throughout January in the elaboration of plans for the expansion of her armaments, but no definite step was taken until the end of February. In France[6] the Finance Minister announced on the 7th January the closing of the subscription lists which had been opened on the 9th December, 1935, for a thirty-year loan of 2,000,000,000 francs for the financing of national defence. From Russia,[7] where the Central Executive Committee of the U.S.S.R. was in session in January, there came news of great importance. In his opening speech to the Committee, on the 10th January, Monsieur Molotov announced that in consequence of the aggressive policies of Germany and Japan there would have to be an increase in the military Budget for the year; and when the Budget was introduced, on the 14th January, defence accounted for 14,800,000,000 roubles

[1] See an article by a correspondent in Tokyo which was published in *The Financial News* of London on the 13th January, 1936.
[2] See the *Survey for 1935*, vol. i, p. 317, and the present volume, pp. 893–4, below. [3] See p. 140, below. [4] See pp. 93–4, above.
[5] See also pp. 129–35, 139, 145–6, 151, 155, 159, below.
[6] See also pp. 143–4, 146, 147–8, 152, 155–6, 159, below.
[7] See also pp. 138, 146–7, 148–9, 157, below.

out of a total of 78,500,000,000 roubles, compared with defence estimates of 6,500,000,000 for the previous year.[1] This Budget was approved by the Central Executive Committee on the 18th January. Some interesting details regarding the organization of the Soviet military forces were given to the Committee by Marshal Tukhachevsky, the Assistant Commissar for Defence. He reported that the number of men in the standing Army had already been increased to 1,300,000.[2] Before 1935 74 per cent. of the Army had been organized on a territorial basis, and only 26 per cent. of the available effectives had been regular soldiers, but these proportions had now been reversed and 77 per cent. of the total were fully trained soldiers under arms. He claimed that the fighting strength of the Army was greater than that of any other army in the world, and that there had been striking developments in the organization of mechanized and cavalry units as well as in aviation. In regard to the Navy, the Government were still concentrating on submarines, but they intended to increase their strength in other categories of vessels as well.

News of measures for an increase in armed strength came from three South-East European countries during the first six weeks of the year. In Jugoslavia the estimates for the coming financial year were introduced on the 17th January. The Budget balanced at 10,307,000,000 dinars, and of this total the fighting services accounted for 2,309,000,000 dinars—an increase of 310,000,000 over the previous year. On the 4th February the Turkish Great National Assembly (which, on the 26th December, 1935, had already authorized the Government to spend a sum of £T.21,000,000 on the purchase of aircraft over a three-year period) granted a supplementary credit of £T.2,100,000 for the acquisition of five new submarines.[3] And on the 7th February a financial agreement was signed between Rumania[4] and France which provided, *inter alia*, for the purchase of armaments by Rumania to the value of 725,000,000 francs.[5]

In Western Europe during the month of February, the Governments of Belgium and the Netherlands initiated legislation for

[1] The actual military expenditure for 1935 was, however, considerably higher than the estimate and amounted to 8,200,000,000 roubles. Soviet spokesmen were accustomed to refer in congratulatory terms to the relatively small proportion of the Budget which was devoted to defence (about 19 per cent. in 1936 and 10 per cent. in 1935), but foreign commentators pointed out that the Soviet figures were not strictly comparable with those of other countries since the Russian Budget included items relating to industry, trade, and agriculture which were not to be found in the Budgets of capitalist countries.

[2] This total figure included men serving in the Navy and the Air Force.

[3] See also p. 143, below.

[4] See also pp. 144, 156–7, below.

[5] See also pp. 524, 532, below.

improving their defences. In Belgium[1] the Prime Minister, Monsieur van Zeeland, told the Senate on the 4th February that the Government intended to ask authority for an increase in armaments, and on the 11th February the Minister for National Defence laid on the table of the Chamber a Bill for an increase in the period of compulsory military service. The amount of the increase proposed varied according to the branch of the service. For cavalry the period was to be raised from twelve to eighteen months; for garrison artillery and anti-aircraft defence units from twelve to sixteen months; for field artillery from twelve to fourteen months; and for infantry from ten to twelve or eight to ten months. The Bill also fixed the annual Army contingent for 1936 at the figure of 67,000. These proposals met with strong opposition, and on the 27th February the Chamber, voting by sections, rejected the Bill by 94 votes to 62, with 16 abstentions.

In the Netherlands,[2] where the system of defence had been reduced to the minimum after the end of the War of 1914–18 (the annual contingent called up was less than 20,000 men and their period of service ranged from five to fifteen months), the Government had come to the conclusion that they could no longer pursue this policy without running an undue risk. The construction of German aerodromes and other German military preparations in the neighbourhood of the Dutch frontier constituted, in Dutch eyes, a threat to Dutch security which could not be ignored, and Dr. Colijn and his colleagues also felt themselves bound to take account of the change in the strategical position which resulted from the fortification of the Franco-Belgian frontier. They recognized that if Germany were to decide to treat the Netherlands as she had treated Belgium in 1914 the country would, in the existing state of its defences, be completely at the invader's mercy, and the traditional method of countering an attack by flooding the countryside would be extremely costly under modern conditions and would in any case be of little avail against modern weapons. They decided therefore that it was necessary to create a simple and not over costly system of fortifications on the frontiers which would suffice to check an invader's advance, and at the same time to strengthen the Air Force and to provide modern artillery and anti-aircraft guns. An account of the measures on which the Government had decided was given to the Second Chamber on the 13th February by the Prime Minister, and on the 18th February the Second Chamber passed by 60 votes to 29 a Bill, which had been introduced into Parliament at the end of November 1935,

[1] See also pp. 137, 144, 154, 158, below, and Part III, section (i) (*j*).
[2] See also pp. 158–9, below.

for the creation of a special fund of 53,400,000 florins. This sum was to be borrowed from the Treasury at 4 per cent. interest and repaid over twenty years, and it was to be used to finance the rearmament scheme during the next four years. The Bill passed the First Chamber, by 28 votes to 9, on the 26th March. Meanwhile, on the 10th March, the Government had announced their decision, in view of the German *coup* in the Rhineland on the 7th March, to keep temporarily in service 4,000 conscripts who were due for release. This decision was rescinded on the 18th April, after the tension created by Germany's action had relaxed to some extent.

In the months of February and March the preparation of Budget estimates for a new financial year was occupying the attention of several Governments. In Italy[1] the Navy Estimates for 1936–7 were published on the 4th February and showed a contemplated expenditure of 1,609,891,000 lire—an increase of 305,010,000 lire over the figure for the previous year. The Army Estimates, which were presented to the Chamber a few days later, provided for a total of 2,312,566,000 lire, but this figure was less than the original estimate for 1935–6, which had amounted to 2,480,760,000 lire. The Army Estimates were approved by the Chamber on the 20th March, after General Baistrocchi, the Under-Secretary of State for War, had given an account of changes in the organization and equipment of the Army which were to be introduced in order to increase the mobility and striking power of the Italian forces. General Baistrocchi also told the deputies, that in addition to the twenty-three divisions at present in East Africa, 1,250,000 fully trained men could be mobilized at a moment's notice. On the 24th and 28th March, in the course of debates in the Chamber and Senate on the Air Estimates (which amounted to a total of about 890,000,000 lire as compared with 762,000,000 lire for 1935–6), the Under-Secretary of State for Air, General Valle, boasted that no part of the sky above the Mediterranean could now escape Italian control. He announced that Italy would shortly have available 10,000 pilots, that legislation was to be introduced making service in the Air Force compulsory, that plans were being perfected for the renewal every year of one-fifth of all the aeroplanes at the disposal of the state, and that progress was being made with a scheme for the decentralization of manufacture by the creation of new aeroplane factories in Central and Southern Italy which would be less exposed to air attack than factories in the valley of the Po. On the 8th April one of the measures which General Valle had foreshadowed was put into effect when the Cabinet approved

[1] See also p. 123, above, and pp. 141, 144, 149–50, 152–3, 154–5, below.

a decree authorizing the compulsory drafting of a certain proportion of the annual contingent of conscripts into the Air Force. Meanwhile, on the 23rd March, Signor Mussolini had announced a further step in the direction of totalitarianism in the shape of the virtual nationalization of industries that were essential to the national defence;[1] and in London on the 25th March Signor Grandi had refrained from adding his signature to that of the French, British and American representatives at the foot of the new Naval Treaty.[2]

In Washington,[3] during February and March, a Military Appropriation Bill for a total figure which exceeded all previous peace-time limits was before Congress. The Bill which was introduced into the House of Representatives on the 10th February allocated to the War Department a sum of $572,655,316 ($49,600,000 more than the appropriation for 1935–6). The measures for which it provided included an increase in the authorized enlisted strength of the Army from 147,000 to 150,000[4] and of the National Guard from 195,000 to 200,000, the modernization of the equipment of the National Guard, and the purchase of additional heavy guns and of 565 new aeroplanes. In the House the total appropriation was slightly reduced, but in the Senate it was increased again, and the Bill as it left the Senate on the 23rd March provided for the expenditure of $611,362,604, and for a further increase of the Army to a total of 165,000 men.

On the 30th March came a report from Lima that the Peruvian Government were following the general trend, and that Congress, on the special recommendation of the Executive, had voted a sum of 15,000,000 soles, to be raised by two loans, for national defence. On the same day, in Stockholm, the Swedish Government laid before the Riksdag a Bill providing for the reinforcement and modernization of the fighting services. The question of the improvement of the country's defences had for some time past been one of the principal political issues in Sweden. It had recently been examined by a special Commission, which had recommended the expenditure of 148,000,000 kroner on the strengthening of the national defences. The Socialist Government of Hr. Hansson, who had come reluctantly to accept the need for some degree of rearmament,[5] considered that

[1] See the *Survey for 1935*, vol. ii, p. 441.

[2] See pp. 99–100, above. [3] See also pp. 139–40, 143, 157, 158, below.

[4] The actual strength of the Army in 1935 was only 118,750. Further increases in the enlisted strength of both the Army and the National Guard were recommended by the Secretary for War at the end of the year (see p. 158, below).

[5] In the spring of 1935 Hr. Hansson had told the Riksdag that the Government did not consider that any increase in expenditure on national defence was necessary.

the measures proposed by the Defence Commission were excessive, and the Bill which they introduced provided for a Defence Budget of 135,000,000 kroner, and for changes in the Army and the Air Force on a smaller scale than those suggested by the Commission. (Even the reduced sum represented an enormous increase over the defence expenditure of the previous year, for which only 14,500,000 kroner had been appropriated). This inclination to reduce the scale of rearmament was strongly criticized by the Swedish Opposition parties, who were in favour of the adoption of the whole of the Defence Commission's proposals, and it was generally recognized that there was a strong probability of the rejection of the Government's Bill as inadequate by the Riksdag.[1]

(c) The British White Paper on Defence of the 3rd March, 1936, and the British Defence Estimates

During the months of February and March 1936, also, momentous decisions were being taken in London.[2] For some time past the Committee of Imperial Defence and a special Defence Policy and Requirements Committee of the British Cabinet which had been set up in July 1935 had been engaged upon the preparation of proposals for giving full effect to the policy of expansion of armaments which had been announced in the 'Statement relating to Defence' of the 4th March, 1935.[3] In the early weeks of 1936 these rearmament proposals had reached the stage of examination by the Cabinet as a whole, and their publication was awaited eagerly in all quarters of the globe—in some cases with apprehension as to the effect which British rearmament was likely to have upon the attainment of national aims, in others (and this not least among the smaller European nations which still, in spite of repeated disillusionment, persisted in looking to Great Britain as their natural protector) with the hope that the measures would be of sufficient scope to make the forces of law and order unmistakably stronger than the forces of the potential law-breakers. In Great Britain itself, the details of the Government's proposals were awaited with a good deal of anxiety, which was due less to reluctance to shoulder the financial burdens which a rearmament programme must necessarily impose than to uncertainty regarding the ultimate aims of the Government's foreign policy and to doubts whether, in the existing state of the organization for defence, the money for which the Government were about to ask would be spent to the best advantage. The fears on the latter

[1] See p. 143, below.
[2] See also p. 124, above.
[3] See the *Survey for 1935*, vol. i, pp. 132–4.

score—which were expressed, for instance, in a debate in the House of Commons on the 14th February, 1936, on a private member's Bill for the establishment of a Ministry of Defence—were relieved but by no means removed by the announcement, which was made on the 27th February by Mr. Baldwin in the House of Commons and by Lord Swinton in the House of Lords, that the Government had decided to appoint a Minister who would act as permanent deputy for the Prime Minister in the chairmanship of the Committee of Imperial Defence and of the Defence Policy and Requirements Committee, and who would be responsible for the co-ordination of defence measures and the day-to-day supervision and control of their execution. This new post was filled a fortnight later by the appointment of Sir Thomas Inskip, the Attorney-General, as Minister for the Co-ordination of Defence.

On the 3rd March the expected new 'Statement relating to Defence' was published as a White Paper.[1] In the introductory paragraphs of this statement, tribute was paid to the idea of collective security, and the duty of 'playing our part in the enforcement by common action of international obligations' was put forward as a motive for rearmament side by side with the need for 'safeguarding ourselves against aggression'. After this prelude, and a brief review of the expansion of armaments which was taking place in certain other countries, the White Paper went on to describe in outline the measures upon which the British Government had decided. In regard to the Navy, it would be 'necessary not only to proceed with new construction at a more rapid rate than in recent years, but also to make good existing deficiencies in ammunition and stores of all kinds'. The building of new capital ships was prohibited until the London Naval Treaty of 1930 expired on the 31st December, 1936, but the process of replacement could not be delayed beyond that date. Two new capital ships would therefore be laid down early in 1937. In cruisers, the aim was to increase the total number from fifty-four to seventy (sixty under and ten over the accepted age-limit), and five cruisers would be included in the 1936 programme.[2] A 'steady replacement programme' for destroyers and submarines was contemplated, and the present rate of construction would be continued in the case of sloops and other small craft. One new aircraft-carrier of a smaller type would be laid down at an early

[1] *Cmd.* 5107 of 1936.

[2] The number of cruisers included in the 1936 programme was raised to seven when supplementary estimates were issued in July. At the same time, financial provision was made for two aircraft-carriers instead of one (see p. 145, below).

date, and there would be a considerable expansion of the strength of the Fleet Air Arm, which would be brought up to 'substantially higher figures in the course of the next few years'. It would also be necessary to 'increase the personnel of the Navy in order to man the new vessels and to make good existing deficiencies', and the number was expected to rise by about six thousand men by the 31st March, 1937.

In regard to the Army,[1] it was proposed to raise four new battalions of infantry, which would 'to some extent mitigate the present difficulties of the policing duties which our Imperial responsibilities place upon us'. It was also 'urgently necessary that the army formations already existing should be organised in the most effective form and equipped with the most modern armament and material, together with adequate reserves of ammunition and stores'. Particular attention was being given to field artillery equipments, which were to be 'thoroughly modernized'. The Territorial Army, which constituted 'the first line in anti-aircraft and coast defence at home'[2] and might also be called upon to support the Regular Army abroad, was to be developed; the Government would do all that was possible to encourage its recruiting, and a beginning would be made with 'the task of improving its present inadequate equipment and training'. The modernization of coast defences would be 'proceeded with at an accelerated rate', and the reorganization of anti-aircraft defences, which had already been authorized in the south-east of England, would be 'extended with a view to covering the important industrial districts in the centre and north of the country'.

In regard to the Air Force, the White Paper recalled the fact that the programme adopted in 1935 had been 'designed to bring up the strength of the force at home to a total of 123 squadrons with approximately 1,500 first line aircraft'. Great additions to the striking power of this force would be possible as a result of developments in design, and the new programme, which would include four new auxiliary squadrons to be formed for co-operation with the Territorial Army, would bring the first-line strength of the Royal Air Force at home up to approximately 1,750 aircraft, exclusive of the Fleet Air Arm. A further increase of approximately twelve squadrons was also proposed in order to enable the Royal Air Force

[1] The peace-time strength of the regular military field units at the beginning of 1936 was 115,000.

[2] The fact that anti-aircraft defence was regarded as one of the primary duties of the Territorial Army was an illustration of the extent to which the invention of aircraft was now recognized to have destroyed Great Britain's former un-continental immunity from attack.

to carry out its 'responsibilities in the general scheme of Imperial defence'. This expansion would involve a large increase in personnel. The 'passive side of air defence measures' had also not been neglected. An Air Raid Precautions Department of the Home Office had been set up in May 1935, and plans which had been 'prepared over a number of years' were now 'approaching the stage' at which they could be put into operation.

In regard to the co-ordination of defence the White Paper reproduced the statement which had been made by Mr. Baldwin when he announced the decision to appoint a new Minister for this purpose, and in the final section of the White Paper a sketch was given of the organization which was contemplated in order 'to ensure the fullest and most effective use of the industrial capacity and the man power available for production of material in the country'.

The Government had already taken some preliminary steps in the direction of organizing industry in such a way that it could 'rapidly change over at the vital points from commercial to war production should the necessity arise'. The Government factories which represented one of the two existing sources of supply were being extended or duplicated; and the regular Government contractors who represented the other normal source would also be able to contribute to some extent to the increased output required. Even for the purpose of carrying out the peace-time programme, it would be necessary to call in addition upon firms not normally engaged in armament work, and this extension would also 'assist in the establishment of the organisation necessary to ensure rapid expansion of production in time of war'. Measures had already been taken to enlarge the field of production in this way in connexion with the approved air programme, and similar measures were under consideration in order to meet the requirements of the Army and Navy. 'Even so, something more' would 'be required', and the Government had decided upon a 'shadow' scheme which was outlined as follows:

> In order satisfactorily to provide for our needs in both peace and war, His Majesty's Government have decided to create a reserve source of supply which would be available in case of emergency. The method of procedure contemplated is to select a number of firms who do not normally make warlike stores but who are suitable for the purpose by reason of their experience and their possession of a skilled staff of engineers and workmen. Arrangements would then be made with these firms for the laying down of the necessary plant and machinery for a given output of selected articles, and sufficient orders in peace time would be guaranteed to allow of the requisite training in the work of

> production. The particular circumstances will vary in connection with every firm and with different types of product. Wide elasticity of arrangements must therefore be provided for, but the underlying principle is that each selected firm, while maintaining and developing its normal civil trade, will agree to use its organisation and commercial structure to set up some measure of munition production and thus create the reserve source of supply.

The 'necessary flexibility' of the programme, and uncertainty 'as to the rate of progress possible over so large a field', were put forward as reasons for the absence of 'any attempt to estimate the total cost of the measures described'. The Government merely served notice that the original estimates for the coming year, which would shortly be laid before the House of Commons, would require to be supplemented, and that the estimates for the following years

> must necessarily be larger. In the absence of any scheme of general disarmament it must be anticipated that the annual cost of maintenance for the reorganised services must remain on a higher level, and will in all likelihood substantially exceed the original estimates about to be submitted.

The omission of any indication of the size of the bill which the country would have to pay was the principal ground on which the British Government's defence proposals were criticized at home. Among the parliamentary Opposition there was now a general readiness to agree that some expansion of armaments was necessary, in view of the changed circumstances in the world, but there was a good deal of reluctance to give the Government the blank cheque for which they were asking without some very definite assurance regarding the use to which the armaments were to be put. There was a strong suspicion that, in spite of the lip service which the White Paper paid to the principles of collective security, the British Government were not really undertaking this programme in order to equip themselves for the fulfilment of the country's obligations as a member of the League of Nations. The Labour Party, whose official attitude on the question of armaments still laid them open to the charge, which was repeatedly made against them by supporters of the Government, that they willed the end of participation in the collective system without willing the means, were uneasy not only over the extent of the programme and the Government's motives in putting it forward, but also over the implications of the proposals for industrial organization. When the questions raised by the White Paper were debated in the House of Commons on the 9th and 10th March the Labour Party submitted an amendment to the Government motion declaring that 'this House cannot agree to a policy

which seeks security in national armaments'. The debate took place in the shadow cast by the German *coup* in the Rhineland two days earlier, and this new act of aggression provided an additional inducement to the House to accept the rearmament proposals with a good grace. Criticism of the Government's plans was, however, to be heard not only from the Opposition benches. Mr. Winston Churchill, for instance, who was a strong advocate of more thoroughgoing measures for the co-ordination of defence and of munitions supply than the Government were prepared to contemplate, was of opinion that the Government's scheme for the organization of industry did not go nearly far enough. The Labour amendment was finally defeated by 378 votes to 155, and the motion in favour of the policy laid down in the White Paper was carried by 371 votes to 153. In the House of Lords, a debate on the White Paper began on the 20th March and ended in a vote of 109 to 8 in support of the Government. From the general trend of the opinions expressed in these two debates it was clear that Parliament was in a mood rather to urge the Government on to pursue their rearmament programme with the maximum degree of speed and efficiency than to act as a restraining influence.

Meanwhile the estimates for the fighting services for the financial year 1936–7 had been laid before Parliament. In February it had been necessary to introduce supplementary estimates to cover the additional cost incurred in connexion with defence during the year 1935–6. These supplementary estimates, which were issued on the 17th February, were for £7,811,000, and brought the total expenditure on defence during the year up to £137,496,000—an increase of £23,785,000 over the actual expenditure in 1934–5. Of the additional sum of nearly £8,000,000 more than half (£4,850,000) was allocated to the Navy and the greater part of this was accounted for by the special measures which were taken in connexion with the Italo-Abyssinian war over a period of seven months. The Admiralty were also asking for an additional allowance for the construction of a flotilla of seven destroyers of a larger type (1,850 tons) than those which the Navy already possessed. The supplementary estimate for the Air Force, which amounted to £1,611,000, covered the cost of the creation of additional aerodromes and other preliminary measures which were required before new air units could be formed.

The Navy Estimates for 1936–7 were issued on the 4th March (the day after the publication of the White Paper on defence), the Army Estimates on the 5th and the Air Estimates on the 6th. Together they totalled £158,211,000 and, as the White Paper of the 3rd March had

indicated, this figure (which was the largest since 1921) did not include any provision for the new programme on which the Government had decided.[1] In drawing up the Budget as a whole, however, the Chancellor of the Exchequer had made an allowance of £20,000,000 to cover supplementary estimates for the fighting services. The Navy Estimate was the highest of the three, and the figure of £69,930,000 represented an increase of £9,880,000 over the estimate for 1935–6. Nearly half the appropriation was for the purpose of expediting new construction which was already in hand, but the largest proportional increase (more than sixty-three per cent.) over the figure for the previous year was on account of the Fleet Air Arm. Provision was also made for the modernization of existing capital ships and for normal items such as maintenance and repair, but there was no allocation for new construction which had not yet been authorized. The Army Estimate of £49,281,000 was higher by £5,731,000 than the estimate for 1935–6, but £1,555,000 of this was on account of special measures in connexion with the Italo-Abyssinian dispute. The Air Estimate of £39,000,000[2] showed a proportionately larger increase than either the Navy or the Army, for it had risen by £13,015,000 compared with the previous year. It was explained that this appropriation covered the cost of completing the original scheme of expansion and part of the increased cost of maintaining a larger Air Force. The intention was that the total of 1,500 first-line aircraft in the Home Defence Force should be reached by the end of the financial year, when there would also be 270 first-line machines overseas and about 220 in the Fleet Air Arm. The new programme, which would bring the total of first-line aircraft at home up to 1750, would extend into 1938, and the additional twelve squadrons for service overseas would be established by 1939. When the Civil Estimates were issued on the 10th March it became known that it was the Government's intention to spend more than £500,000 during the coming year on the development of the Air Raid Precautions Department of the Home Office, which had cost £92,000 in the previous year.[3]

[1] The supplementary estimates which were issued in April and July (see pp. 139, 145, below) brought the total for the year up to £187,870,000.

[2] This was the net total. The gross total, without allowance for certain appropriations-in-aid, was £43,490,600.

[3] As an example of the department's activities may be mentioned a circular which was issued to all Borough and County Councils in England and Wales in the last week of February drawing attention to the arrangements for instruction regarding the precautions to be taken in the event of air raids which were being made at Falfield in Gloucestershire, where a Civilian Anti-Gas School was being established. The first demonstration of methods at the school took place at the end of May. The increased cost of the Falfield school

Before the end of March one of His Britannic Majesty's Governments overseas had let it be known that they were contemplating taking steps of their own in order to supplement the measures for strengthening Imperial defence which His Majesty's Government in the United Kingdom had just announced to the world. Sir Archdale Parkhill, the Australian Minister for Defence, told the House of Representatives at Canberra on the 26th March that it might be necessary, in view of the general state of unrest, to start work on a

was one of the items which made up a total allocation of £850,000 to the Air Raid Precautions Department which was included in supplementary estimates issued on the 14th July. This question of 'passive air defence' was a side issue of the rearmament movement to which a good deal of attention was being devoted during 1936, and it may perhaps be convenient to review separately certain significant developments in this field.

It was no accident that the states which had set the pace in rearmament should also have taken the lead in organizing defence against attack from the air. In Germany, for instance, a 'Reichsluftschutzbund' had been founded soon after the establishment of the Nazi régime, and by the beginning of 1936 this Association for Air Defence was said to possess 7,000,000 members, 2,200 training schools and nearly 23,000 'Air Defence Leaders' (Luftschutzführer). Germany was also one of the first countries to organize practice air raids over her great cities. A raid of this kind took place, for instance, over Berlin on the 19th April, 1936. In Japan 'air defence manœuvres' on a large scale began on the 20th July, and for four nights the 8,000,000 inhabitants of the districts between Tokyo and Yokohama were subjected to restrictions which included the extinguishing of all lights. Italy also had been building up for some years past an organization for the defence of the population from air attack, and on the 27th August, 1936, a further step was taken in this direction by the issue of a Royal Decree containing regulations for the preparation for use as permanent anti-aircraft shelters of all the tunnels (including those belonging to railway and underground railway undertakings) which might be constructed in future in Rome and other cities. The expense entailed in constructing tunnels in accordance with the regulations was to be borne by the builders. Another decree issued on the 21st December, 1936, made it compulsory for all Italian builders of dwelling houses in future to provide adequately protected air-raid shelters.

During the last three months of 1936 a number of European Governments followed the example of Germany and Japan and organized air-raid practices over their capital cities. In Vienna, for instance, on the night of the 2nd October, all lights were extinguished and traffic was stopped while an air attack on the city was staged. Parisians had a similar experience on the night of the 16th October, but in this case the experiment was less drastically carried out, and the diminished and only partially lighted stream of traffic in the principal streets was still sufficient to reveal the structure of the city to observers in the air. At the beginning of November the Paris Municipal Council was reported to have set aside a sum amounting to £1,300,000 for the acquisition of gas masks, the provision of shelters and ambulances and other precautionary measures. On the 20th November, the city of Prague was the scene of two practice air raids. Just before Christmas came the news that the Netherlands Indian Government had received a report on the precautions which they should take against air raids from an Advisory Committee which they had appointed in the previous August.

new three-year defence plan after the completion in June 1937 of the three-year plan which was already in course of execution.[1]

(*d*) From the Beginning of April to the Issue of the Russian Decree of the 11th August, 1936, lowering the Age for Military Service

The beginning of the month of April was marked by the reintroduction of conscription in Austria.[2] On the 1st April the Chancellor laid before the Bundestag a Bill, which was passed without discussion, enabling the Government to call up for compulsory service for public purposes, 'with or without arms', all male citizens between the ages of 18 and 42. Formal protests against this law, as a contravention of the terms of the Treaty of St. Germain, were presented by the Governments of Czechoslovakia, Jugoslavia and Rumania, but there was no serious attempt to put pressure upon the Austrian Government to abandon the measure.[3] On the 23rd April the Government organ, the *Reichspost*, announced that a medical examination of men born in 1915 would be held in June, with the object of calling a contingent of some 15,000 men to the colours in the autumn.[4]

In Belgium,[5] on the 4th April, the Chamber, which had rejected in February the Government's proposals for increasing the period of military service,[6] passed a Bill authorizing the Government to retain men of the 1935–6 classes with the colours for an unspecified period, in order to ensure that there should be no shortage of soldiers to man the defences before the new class of conscripts became available. This Bill passed the Senate on the 8th April. From Warsaw,[7] on the 10th April, came the report that the Polish Cabinet had decided to create a national defence fund in order to finance an increase of fifteen or twenty per cent. in the Army Budget (which already accounted for over forty per cent. of the total Budget); and in Athens,

[1] Under the original plan the equipment of the Army (the full peace-time strength of which was 35,000) was being improved in regard especially to mechanization and increased mobility; the defences of Sydney, Newcastle, Brisbane, and Freemantle were being strengthened; and special attention was being given to the development of air strength. At the end of August the Commonwealth Government decided to postpone further consideration of the projected second three-year plan pending the discussions at the Imperial Conference which was to take place in the spring of 1937. For other measures taken by the Australian Government during the year 1936 see pp. 146, 150, below.

[2] See also pp. 142–3, 154, 156, below.

[3] See p. 511, below.

[4] See pp. 142–3, below.

[5] See also pp. 125–6, above, and pp. 144, 154, 158, below.

[6] See p. 126, above.

[7] See also pp. 154, 157, below.

on the 22nd April, it was reported that the Government intended to put in hand a programme of defence at a cost of 10,000,000,000 drachmas. In the U.S.S.R.[1] new rules for the Young Communist League which were made public on the 23rd April included a provision that all the 2,000,000 members of the League must undergo training in some branch of technical military knowledge; and on the same day Marshal Voroshilov issued a decree giving names to five new Cossack divisions which were being raised in the North Caucasus.

During April, also, an important decision was reached by the Swiss Federal Government.[2] Switzerland had taken no steps to strengthen her military forces until after the breakdown of the Disarmament Conference at the end of 1933, and although the Government had then obtained a credit of 82,000,000 francs for rearmament they had been in no hurry to spend this sum, a considerable portion of which was still at their disposal at the beginning of 1936. By April, however, developments in the international situation had caused the Government to decide that the complete modernization of the national defences could no longer be postponed. Like the Government of the Netherlands[3] and for the same reasons, the Swiss Government feared that in the event of a new war in Western Europe their territory would be invaded by foreign troops seeking a passage way or a base of operations, and on the 17th April they decided to ask Parliament to authorize the expenditure of 235,000,000 francs upon measures designed to ward off this danger. The proposal was that nearly half the total sum should be spent upon the expansion of the Air Force and upon 'passive air defence', but it was also intended to allocate 46,000,000 francs for frontier fortifications. Smaller sums were also to be spent on modernizing infantry equipment and on artillery.

At the end of April there were further developments in connexion with the defence of the British Empire. In the House of Assembly at Capetown on the 27th April the South African Minister for Defence, Mr. Pirow—who was shortly going to England in order to discuss problems of defence and transport with H.M. Government in the United Kingdom[4]—gave details of the progress of the five-year defence plan which had been inaugurated in 1934 and of additions upon which the Government had recently decided in the light of the Italo-Abyssinian war. Under the five-year plan the standing

[1] See also pp. 124–5, above, and pp. 146–7, 148–9, 157, below.
[2] See also pp. 142, 153–4, 156, below.
[3] See p. 126, above.
[4] Mr. Pirow arrived in England on the 8th June and left again on the 4th July. In the course of his discussions with Ministers in London consideration

military force at the Union Government's disposal would by 1939 consist of 15,000 men. In addition, there would be a second line of defence of 40,000 men organized on a territorial basis, and a third line composed of some 90,000 members of rifle associations. The five-year plan would also provide four squadrons of fighting and bombing aeroplanes, with a reserve of twenty-four machines. The Government had now decided upon an additional scheme for training men for service in the Air Force, and at the end of five years it was hoped that 1,000 pilots and 3,000 mechanics would be available. They had also decided on the formation, out of civil aircraft, of twelve squadrons of high-speed bombers, and upon the addition to the Army of an anti-tank battalion. They intended to make arrangements for the production in the country of as many military necessities as possible, and a survey of industrial potentialities from this point of view was already in hand.

In London, on the 30th April, supplementary estimates for the Navy were issued. The additional sum required was £10,300,000, bringing the total estimate for the year 1936–7 up to £80,230,000.[1] Of this sum, some £3,000,000 was allocated to the current construction programme, £2,000,000 was accounted for by the continuance of special measures in the Mediterranean, and the remainder was to cover the cost of measures for making good certain deficiencies in equipment and in facilities for maintenance. The programme of new construction which was announced included the two battleships which were to be laid down early in 1937[2] and five cruisers, although the sums appropriated for cruisers showed that substantial progress during the current year was expected on only two of the five. No money was allocated to the new aircraft-carrier which had been mentioned in the White Paper of the 3rd March.[3] The increase in personnel for which provision was made amounted to 6,672 men.

The publication of this supplementary Navy Estimate in Great Britain coincided with the consideration by the House of Representatives in Washington[4] of the Bill appropriating the sums required for the upkeep and extension of the American Navy during the financial year 1936–7. The Navy Bill, providing for a total expenditure of $531,069,000, was reported to the House by the Appropria-

was understood to have been given to the problem of the defence of Capetown, as well as to the scheme for developing Capetown harbour and to the organization of air routes.

[1] See p. 135, above, and p. 145, below.

[2] See p. 130, above.

[3] See p. 130, above.

[4] See also p. 128, above, and pp. 143, 157, 158, below.

tion Committee on the 30th April. The new construction for which money was allocated included two new battleships (subject, however, to the reservation that they should not be laid down unless another Power took similar action), twelve destroyers and six submarines. Provision was also made for the acquisition of 333 aircraft for service with the fleet, and for an increase in personnel from 87,000 to 96,000. The Bill passed the House, with minor adjustments which reduced the total appropriation slightly, on the 1st May, and further reductions were effected before the Senate passed the Bill, in its turn, on the 8th May. In conference between the House and the Senate the total appropriation was finally fixed at $526,546,532, and in this form the Bill was approved by the President on the 3rd June. On the 15th May Mr. Roosevelt had signed the Army Appropriation Bill,[1] after the House and the Senate had agreed upon the compromise figure for total expenditure of $572,450,000.

In mid-May the Government whose naval policy was principally responsible for determining that of the United States also secured the adoption of a Budget in which the appropriations for the fighting services rose to a new maximum level. The Budget which Mr. Takahashi had introduced into the Diet in Tokyo on the 20th January[2] had failed to pass owing to the dissolution of the Diet, and the revised Budget which was approved by the Cabinet towards the middle of April showed a total increase of 32,000,000 yen over the January figure. Most of the increase was on account of agrarian relief, but both the Army and the Navy also obtained slightly larger allocations. The Army appropriation was 508,000,000 yen and the Navy appropriation 550,000,000 yen, making a total of 1,116,000,000 yen as compared with 1,059,000,000 yen in the January Budget. This revised Budget was adopted by the Lower House on the 16th May.[3]

On the same day, in Berlin,[4] information was made public which showed that Germany was making rapid progress in building up her fleet to the maximum of 35 per cent. of British naval strength which she was permitted to attain by the Anglo-German naval agreement of the 18th June, 1935.[5] The official *Marine Verordnungsblatt* published on the 16th May what purported to be a complete list of the ships in commission and under construction on the 1st April, 1936. The ships under construction included two battleships of 26,000 tons and three cruisers of 10,000 tons, sixteen destroyers and

[1] See p. 128, above.
[2] See p. 124, above.
[3] See also pp. 144–5, 150, below.
[4] See also p. 123, above, and pp. 143, 144, 147, 148, 149, 153, below.
[5] See the *Survey for 1935*, vol. i, Part I, section (vi) (*i*).

seventeen submarines. Germany also possessed, and was rapidly expanding, a 'mosquito fleet' of small but speedy motor-boats which could be put to a variety of uses.

In Italy,[1] a few days later, another totalitarian measure was enacted. A decree issued on the 19th May ordered all Fascists between the ages of 21 and 55 who were capable of bearing arms to enroll themselves in the Fascist Militia. This order would swell the total membership of the Blackshirt Militia, which was now a recognized part of the permanent military organization, to something over a million and a half.

It was Czechoslovakia,[2] however, who offered the most striking example at this time of the organization of all the resources of a nation for the purpose of defence. On the 13th May a Bill for the Defence of the State, which had been introduced into the Czechoslovakian Parliament on the 26th March, became law. This enactment, which was perhaps the most comprehensive and the most drastic of all the measures that had been and were being taken in various countries in preparation for a state of war, occupied more than forty printed pages in the official collection of laws, and all that is possible here is to indicate briefly some of its more important provisions. The Act established a Supreme Defence Council, under the presidency of the Prime Minister, which was to be responsible for taking measures for the defence of the Republic at all times and not only when a state of 'defence preparedness' had been declared. Industrial undertakings of importance for the manufacture of war material, particularly those in frontier districts, were to be placed under regulations, and the Government were to have a monopoly of military inventions, which might not be sold abroad. A frontier zone was to be established, in which special restrictions would be placed upon foreigners, and the construction of buildings and roads would not be allowed without a permit. Practically the whole of the economic life of the country would come under control during a state of 'defence preparedness'. This state could be declared not only in the event of actual war, but also if developments were to take place which threatened the unity of the state or the democratic form of the Constitution, or if law and order were menaced by internal disturbances. All able-bodied men and women between the ages of 17 and 60 would then be subject to conscription for work of national importance. Simultaneously with the Law for the Defence of the State, a law was passed amending previous legislation for the

[1] See also pp. 123, 127–8, above, and pp. 144, 149–50, 152–3, 154–5, below.
[2] See also p. 154, below.

defence of the Republic in the matter of espionage. By this amendment the death penalty could be imposed for flagrant cases of military espionage, and persons accused of spying could be tried only by specified courts.

During the next six weeks the Czechoslovakian Government took a series of additional steps to strengthen their military preparations. A Bill authorizing the issue of an internal loan—the proceeds of which would be used to cover expenditure in excess of the Budget estimates for 1936 on military purposes such as fortifications and the development of strategic roads and railways—passed the Chamber of Deputies on the 27th May and the Senate on the 29th. On the 4th June the Supreme Defence Council approved plans for strengthening the fortifications on the German and Polish frontiers and improving communications with Rumania and Russia. On the 8th June the subscription lists for the defence loan were opened. The Government expected to raise about Kč. 3,000,000,000, but the total subscribed when the lists were closed on the 11th July was actually about Kč. 3,500,000,000. On the 23rd June the law of the 13th May for the Defence of the State came into force, and on the 24th June a decree was issued defining the frontier zone to which the provisions of the law applied as a belt of territory round the whole country. The districts in which special regulations might be enforced therefore included all those in which the German population was in the majority.[1]

Switzerland was another country in which a decision to float an internal loan for national defence was taken during June. A Bill authorizing the Government to raise by means of a loan the 235,000,000 francs which were required to finance the rearmament scheme on which the Government had decided in April[2] was adopted by the Swiss National Council (the Second Chamber of the Legislature) on the 9th June by 139 votes to 10. Before the end of the month the Swiss Federal Government had approved a plan for the reorganization of the Army, by which one army corps would be responsible for manning the fortifications, and a second and third corps would consist respectively of 'defence divisions' and 'marching divisions'.[3]

In Austria, on the 4th June, action was taken in accordance with the law of 1st April,[4] and placards were posted throughout the

[1] The Government did not make full use at once of all the powers that were conferred upon them by the new law, but the passage of the law had nevertheless a bad effect upon the relations betweens Czechs and Germans. See the present volume, pp. 500–1, below.

[2] See p. 138, above.

[3] See also pp. 153–4, 156, below.

[4] See p. 137, above.

country calling up men born in 1915 for medical inspection between the 15th June and the 15th July.[1] On the 11th June, at Stockholm, the Riksdag rejected the rearmament proposals of the Socialist Government in favour of the more extensive proposals put forward by the Defence Commission;[2] and the rejection two days later of a plan for increasing old age pensions which the Government had linked with the defence scheme led to the resignation of Hr. Hansson's Government.[3] On the 12th June the Turkish Great National Assembly (which had been warned on the 25th May by the acting Foreign Minister that Turkey could not ignore the uncertainty of the situation in Europe, and must pay the closest attention to national defence) voted an extraordinary credit of about £4,000,000 (sterling) to be used partly for defence and partly for public works.[4] On the 22nd June it was announced in Berlin[5] that an internal loan amounting to Rm. 700,000,000 was to be floated in order to finance rearmament and work-creation schemes. And on the 24th June, in Washington,[6] President Roosevelt signed a Bill authorizing an increase in the air strength of the Army to a total of 2,320 aeroplanes.

During June and July important developments were taking place in France,[7] where a Front Populaire Government took office on the 4th June. One of the very first acts of the Blum Government was designed to secure a better organization of the country's defensive system. On the 6th June a decree was issued appointing a Minister for National Defence and War with the responsibility of co-ordinating the action of the Departments of War, Marine and the Air, and setting up a permanent Committee of National Defence to assist in the execution of this task. On the 1st July Monsieur Daladier, who had been appointed to the post of Minister for Defence, told the Army Committee of the Senate that it was out of the question, in the existing international situation, to consider any reduction in the period of service of French conscripts; and on the same day the same committee decided to examine the question of fortifying the Franco-Swiss frontier. On the 17th July a Bill for the nationalization of war industries passed the Chamber by 484 votes to 85. This Bill authorized the Government to expropriate, wholly or partly, concerns

[1] See also p. 154, below.

[2] See pp. 128–9, above.

[3] The new Government was a coalition of agrarian and non-party members, but the Socialists won a victory at a general election in September, and Hr. Hansson then returned to power as the head of a coalition Government of Social Democrats and Agrarians.

[4] See also p. 125, above.

[5] See also pp. 123, 140–1, above, and pp. 144, 147, 148, 149, 153, 156, below.

[6] See also pp. 128, 139–40, above, and pp. 157, 158, below.

[7] See also p. 124, above, and pp. 146, 147–8, 152, 155–6, 159, 6

manufacturing or trading in war material, and in the case of joint stock companies to acquire all, or a majority of, the shares.[1]

During the first half of July news of further rearmament measures came from Italy, Belgium, Germany, Rumania and Japan. In Italy,[2] on the 4th July, a decree was approved by the Cabinet providing for 'an increase in the Air Force as regards men, officers and non-commissioned officers serving their periods in the Air Force in view of the increase in units which will take place under the 1936–7 Budget'. In Brussels it was announced, on the 12th July, that a National Defence Commission which had been set up after the rejection in February of the Government's proposal for lengthening the period of military service,[3] had decided, in view of the seriousness of the international situation, to expedite its work and place its conclusions in the hands of the Government as soon as possible.[4] Two days later came the report that the Belgian Government had decided, in virtue of the law which had been passed in April,[5] to retain with the colours some 30,000 conscripts who were due to be released in August, but whose period of service would be extended for three to five months in order that they might serve as cover for mobilization should that become necessary. On the 13th July rumours which had been current for some little time were confirmed when Lord Cranborne stated in the House of Commons at Westminster that he understood from inquiries which had been made that the island of Heligoland was being fortified by Germany.[6] On the 14th July a financial agreement was signed between Rumania[7] and Czechoslovakia by which Czechoslovakian armaments firms, under the guarantee of their Government, granted credits to Rumania for the purchase of war materials,[8] and Rumania undertook to carry out improvements on the Rumanian side to the roads and railways linking the two countries which would make them of greater strategical use. On the same day it was reported from Tokyo[9] that the War Office had submitted to the Cabinet a programme of rearmament which was expected to extend over twelve years and involve an expenditure of 3,000,000,000 yen during the first half of that period.

[1] This Bill passed the Senate on the 8th August and became law on the 11th August. For its first application see p. 152, below.
[2] See also pp. 123, 127–8, 141, above, and pp. 149–50, 152–3, 154–5, below.
[3] See pp. 125–6, above.
[4] See also p. 154, below.
[5] See p. 137, above.
[6] See also pp. 123, 140–1, 143, above, and pp. 147, 148, 149, 153, 156, below.
[7] See also p. 144, above, and pp. 156–7, below.
[8] On the 14th August it was announced that a contract for the supply of tanks had been signed between the Škoda Company and the Rumanian Government.
[9] See also pp. 123–4, 140, above, and p. 150, below.

The Japanese Army was also reported to be making suggestions for far-reaching administrative reforms which included the creation of a separate air arm; and on the 25th July effect was given to this part of their proposals by an Imperial Ordinance which decreed that the air squadrons which had hitherto been attached to the various army divisions should be united into an Air Corps which would still form part of the Army but would enjoy a considerable degree of autonomy. It was to be presumed that this change, which indicated an intention to develop Japanese air strength, had a connexion with the recent decision to expand the air forces of the United States[1] as well as with current developments in Russia.[2]

In London[3] during July there was a series of important announcements bearing on the Government's rearmament policy, and further supplementary estimates were issued. On the 3rd July, when the Finance Bill passed its third reading in the House of Commons, the Chancellor of the Exchequer warned the House that a deficit on the Budget was already certain as a result of the defence programme, and that in view of the leeway which had to be made up the country must for a short time expect 'exceptional, abnormal and phenomenal expenditure' upon armaments. On the 9th July supplementary estimates were issued for the Army and the Air Force, together with a second supplementary estimate for the Navy.[4] The additional appropriation for the Army amounted to £6,600,000, but part of this sum was on account of special measures taken in Palestine.[5] Expansion of the Air Force accounted for an extra £11,700,000; while an additional £1,059,000 for the Navy was explained on the ground that the building programme was proceeding more rapidly than had been expected, and that the construction of several more vessels, including two cruisers and a second aircraft-carrier, could be put in hand during the financial year. The British Government had recently been negotiating with the Governments of the United States and Japan regarding the retention of a number of over-age destroyers which were due to be scrapped, and on the 15th July a note formally invoking the escalator clause of the London Treaty of 1930 for this purpose was despatched to Washington and Tokyo.[6] On the 14th July the Secretary of State for War announced in the House of Commons the appointment of an additional member of the Army Council to act as Director-General of Munitions Production. This

[1] See pp. 128, 140, 143, above. [2] See pp. 124–5, above, and p. 146, below.
[3] See also pp. 124, 129–35, 139, above, and pp. 151, 155, 159, below.
[4] See p. 159, above, for the first supplementary naval estimates.
[5] See the present volume, Part V, section (ii).
[6] See also p. 108, above.

appointment was designed to meet the criticism that the organization of the supply of war material was still insufficiently co-ordinated, but a good deal of anxiety on this score was expressed in the course of a debate on defence policy in the House of Commons which ended on the 20th July in a division in which the Government obtained a majority of 320 to 155. On the 28th July the Secretary of State for War announced the creation of a new infantry section of a supplementary reserve, with an initial establishment of 17,000 men; and two days later the announcement of a new Royal Air Force Reserve, open to civilians between the ages of 18 and 25, was made by the Air Minister in the House of Lords.

In the British Dominions the Australian Minister for Defence[1] broadcast on the 16th July a statement on the Government's plans for increasing the strength of the militia to 35,000, as a nucleus for the force of 200,000 which was considered the minimum number necessary to repel an invasion. And on the 4th August, in New Zealand, the Labour Government presented their first Budget, which provided for an additional expenditure of £250,000 on defence—£190,000 on the maintenance of cruisers, and £60,000 on the strengthening of land defences.

In France,[2] on the 11th August, the Senate unanimously adopted a Bill, which had already passed the Chamber, making provision for the renewal and upkeep of the Air Force over a period of five years. During the debate the Minister for Air, Monsieur Cot, announced that the existing programme for the construction of 1,023 aircraft would probably be completed by the end of the year. An even more substantial contribution towards the total air strength of the 'defensive' Powers was being made by the Soviet Government,[3] whose Commissar for War was reported on the 21st August to have claimed that the Russian Air Force would soon be as large as the aggregate forces of all other countries.

(e) From the Russian Decree of the 11th August to the End of the Year

By far the most important developments in August were the decision of the Soviet Government to lower the age for military service and the prompt reaction of the German Government. On the 11th August a decree was issued in Moscow ordaining that the age at which men became liable for service in the Army should be

[1] See also pp. 136–7, above, and p. 150, below.
[2] See also pp. 124, 143–4, above, and pp. 147–8, 152, 155–6, 159 below.
[3] See also pp. 124–5, 138, above, and pp. 148–9, 157, below.

19 instead of 21. It was explained that this change was to be put into effect during the four years 1936–9 by drafting into the Army each year one and a half yearly contingents, but that it was not intended to increase the total number of effectives beyond the figure of 1,300,000 which had already been attained. The object was rather to avoid the interference with civil life which was entailed when men were called up at the higher age. Despite official protestations, opinion abroad had no doubt that the decree of the 11th August provided for a potential, if not an actual, expansion of the Russian Army; and when, on the 1st September, the conscript class of 1914 and half that of 1915 were called to the colours, together with men who had been exempted in 1935, it was reported in the foreign press that, since the combined contingent numbered 900,000 instead of the normal 600,000, the total strength of the Army would now be 1,600,000.

The Russian decree of the 11th August was the subject of violent comment in the German press, and the reply of the German Government[1] was not long delayed. On the 24th August a decree was issued fixing the period of service with the colours in Germany at two years instead of one. On the following day it was announced that immediate effect would be given to the decree by retaining for a second year men of the 1914 class who had been called up in 1935. In justification for this measure it was pointed out in Berlin both that the one-year system involved a six-months' period of relative weakness while the annual contingent of conscripts was being trained, and that the annual contingent during the 'lean years' would hardly reach the normal total of 300,000. Even if the Government could count upon half the recruits to volunteer for a second year, the total number available under the one-year system would not reach the figure of 550,000 which, according to foreign estimates, would be needed to make up the thirty-six divisions prescribed in the law of the 16th March, 1935.[2]

The German Government endeavoured to counteract to some extent the effect of this decree upon foreign opinion by announcing simultaneously their adhesion to the plan for non-intervention in the Spanish civil war.[3] This conciliatory gesture diminished only in a very slight degree the anxiety with which the news was received in France.[4] On the 5th September Monsieur Daladier laid before the

[1] See also pp. 123, 140–1, 143, 144, above, and pp. 148, 149, 153, 156, below.
[2] See the *Survey for 1935*, vol. i, pp. 141–4.
[3] This will be dealt with in the *Survey for 1937*.
[4] See also pp. 124, 143–4, 146, above, and pp. 152, 155–6, 159, below.

Cabinet his proposals for meeting the new situation. A further increase in the French period of service (which had been raised to two years in 1935)[1] would not enable France to compete with Germany in effectives, and in any case it was considered to be impossible to ask the French people to accept an additional burden of this kind. The Minister for Defence did recommend a certain increase in the strength of the professional army, including the recruitment of specialist non-commissioned officers for long service, but in the main he relied upon the development of armaments —including measures for increased mechanization and for the strengthening of frontier fortifications by extending the depth from front to rear of the system already completed. The cost of the four-years' programme which he put forward was estimated at frs. 14,000,000,000, of which some frs. 4,200,000,000 would be spent during 1937. The biggest expansion was in the Air Force— the existing programme for an addition of something over 1,000 new aircraft being doubled—but provision was also made for a supplementary grant of frs. 100,000,000 to the Navy. The Cabinet approved of this plan on the 7th September, but decided at the same time to renew the attempt to obtain a limitation of armaments by international agreement.[2]

The pendulum then swung back again to Germany. On the 9th September a proclamation by Herr Hitler was read at the Nazi Party Rally at Nuremberg,[3] in the course of which the Führer announced the inauguration of a four-years' plan for the organization and development of Germany's resources with the object of attaining self-sufficiency in raw materials. At the end of that period it was intended that Germany should be independent of foreign countries for all materials which could be produced by German chemists, mines and factories. This announcement of a new drive towards *autarkeia* was preceded and followed by a series of speeches on the theme of the 'Red menace' which not unnaturally provoked the Soviet leaders to verbal counter-attacks upon Germany. Specially significant were the statements on the readiness of the Russian Army for both defence and attack which were made by Marshal Voroshilov

[1] See the *Survey for 1935*, vol. i, pp. 136–40.

[2] Later in September, at the Assembly of the League of Nations at Geneva, the French delegation took the initiative in an attempt to revive the disarmament discussions which had been suspended more than twelve months earlier (see the *Survey for 1935*, vol. i, Part I, section (iii)). These French efforts did not meet with much success, and it was not possible to do more than keep the disarmament question in a state of suspended animation at Geneva. (See also the present volume, p. 361, below.)

[3] See the present volume, p. 240, below.

at Minsk on the 12th September and at Kiev on the 17th. The 'invincible Red Army', he declared at Minsk, was 'ready at any moment to destroy the enemy in his own territory'. 'If the enemy attacks . . . any part of the Soviet Union', he said at Kiev, 'we shall not only not admit him into the confines of our Fatherland, but we shall beat him in the territory from which he comes.'[1] It was also significant that between the dates of these two statements, on the 13th September, Herr Hitler should have told foreign journalists that the German Government had at their disposal, in addition to the Army, 'para-military forces' consisting of 2,000,000 members of the S.A., between 160,000 and 170,000 S.S., and 'disposition troops' to a total of 20,000. Foreign observers in Nuremberg were able to see for themselves the military bearing of the men who formed these auxiliary forces when, on the same day, nearly 100,000 members of the S.A., the S.S., the Nazi Motor Corps and the Air Sport Battalions marched past Herr Hitler.

The rival claims of Germany and Russia in regard to the strength of the military forces that they could put into the field were both surpassed by those of the third 'dictatorial' Great Power of Europe.[2] On the 30th August, speaking at Avellino on the conclusion of the annual Army Manœuvres,[3] Signor Mussolini boasted that the Italian Government were 'always in a position, in the course of a few hours and at a simple word of command, to mobilize 8,000,000 men—a formidable *bloc* which fourteen years of Fascist régime has brought to the necessary high temperature of sacrifice and heroism'.[4] On the 12th September Signor Mussolini told his Council of Ministers that it was necessary to provide for exceptionally high expenditure upon armaments and to pursue 'with extreme vigour' the policy of self-sufficiency, especially in war materials. He was also said to have informed the Cabinet of the total amount of extraordinary credits for the fighting services which had been decided on at a special meeting in August between representatives of the services and of the Finance Ministry, but the figures in question were not made public. On the following day a decree was issued in Rome on the subject of the organization of the military forces in Abyssinia. It appeared

[1] This and other passages from Marshal Voroshilov's speech of the 17th September are quoted in this volume in another context (see pp. 382–3, below).

[2] See also pp. 123, 127–8, 141, 144, above, and pp. 152–3, 154–5, below.

[3] A passage from this speech has been quoted already at the beginning of the present chapter (see p. 117, above).

[4] This boast was repeated by Signor Mussolini at Bologna on the 24th October, 1936, when he declared that the olive-branch of peace which he offered to the World sprouted 'from the forest of eight million sharp bayonets'. (See p. 655, below).

from the terms of the decree that the peace-time strength of the Italian Army in East Africa would be about 65,000, of whom some 25,000 would be 'national' troops and the rest Eritrean and Abyssinian askaris and Somali dubats.

In Japan[1] during August and September the demands of the fighting services upon the Exchequer for the coming year were under consideration. In the middle of August the new Finance Minister, Mr. Baba, was reported to have agreed with the Prime Minister, Mr. Hirota, upon the adoption of a policy, the initial cost of which was expected to be about 150,000,000 yen, for strengthening national defence by increasing the provision of fuel and raw material, controlling the electric power industry and encouraging aviation. The Navy Estimates for 1937–8, which were submitted to the Minister for Finance in the third week of August, involved an increase of some 65,000,000 yen over the estimates for the previous year, while the War Department, in their estimates, had to make allowance for the first instalment of the cost of the long-term programme for the expansion of the Army and Air Force which they had presented to the Cabinet in July[2] and which the Cabinet had now approved. The sum allocated to the new programme for the coming year was 300,000,000 yen, and this brought the total Army Estimate for 1937–8, which was submitted on the 15th September, up to 820,000,000 yen (312,000,000 more than the figure for military expenditure in the Budget adopted in May 1936).[3]

Australia[4] was another country in which defence expenditure was under consideration by the Government during September. Details of the programme which was to be completed during the current financial year were given to the House of Representatives at Canberra on the 11th September by Sir Archdale Parkhill during the debate on the Defence Estimates for 1936–7. The sum of £3,237,387 was to be spent on the Navy; expenditure on the Army would be £2,948,788; and the expansion of the Air Force would involve an expenditure of £1,443,652.

October was a particularly active month in matters of rearmament among both the Great Powers and the lesser states of Europe. In

[1] See also pp. 123–4, 140, 144–5, above. [2] See p. 144, above.

[3] See p. 140, above. The estimates for the Army and Navy were subsequently reduced to 728,000,000 yen and 681,000,000 yen respectively—representing together 47 per cent. of the total estimated expenditure for the year of 3,041,000,000 yen. The Budget making this appropriation was approved by the Cabinet on the 27th November, 1936. (See the present volume, Part VII, p. 896).

[4] See also pp. 136–7, 146, above.

Great Britain[1] defence policy was one of the principal subjects of discussion both by the National Union of Conservative and Unionist Associations, which was in session at Margate when the month began, and by the Labour Party Conference, which met in Edinburgh a few days later. The Conservatives, having heard a statement on defence from the First Lord of the Admiralty, Sir Samuel Hoare, on the 1st October adopted a resolution expressing disapproval of unilateral disarmament, and deploring 'attempts which were being made in the name of peace to hinder normal recruiting and prevent the restoration of our defence forces to a reasonable level of strength'; and they also accepted without demur the statement made by the Chancellor of the Exchequer on the 2nd October that the state of the world rendered it essential for the British Government to embark upon the largest programme of expenditure on defence that the country had ever undertaken in time of peace. The Labour Party, whose attitude to rearmament in general, and to the Government's programme in particular, had called forth the condemnation expressed in the Conservative resolution, on the 6th October adopted a resolution proposed by the Executive which approved of the maintenance of forces 'consistent with' the country's 'responsibilities as a member of the League of Nations, the preservation of the people's rights and liberties, the continuance of democratic institutions and the observance of international law', but declined 'to accept responsibility for a purely competitive armaments policy' and reserved the right to criticize the Government's policy. It was clear from the speeches which were made at the Conference that even the sponsors of this motion were not of one mind as to the precise interpretation to be put upon it; but the majority of 1,728,000 votes to 657,000 by which it was adopted was at least an indication that Labour now recognized that the defence of democratic principles and participation in the collective system called for some increase in British armed strength. Other developments of importance in the British Empire during October were the announcement on the 20th October that a 'shadow' scheme for war production had been organized in the aero-engine industry in Great Britain, and the visit of the Canadian Prime Minister, Mr. Mackenzie King, to London in order to discuss with H.M. Government in the United Kingdom plans for enlarging the Canadian Navy and building up a strong Canadian Air Force. Later reports from Ottawa indicated that the Canadian Government contemplated the expenditure of £16,000,000 on armaments during the year 1937.

[1] See also pp. 124, 129–35, 139, 145–6, above, and pp. 155, 159, below.

In France[1] the Government made use for the first time on the 16th October of the powers conferred on them by the Act of the 11th August[2] when they announced their decision to nationalize all factories producing aircraft or aero-engines for national defence. On the 22nd October details were made public of the plan which Monsieur Cot had drawn up for the accelerated expansion of the Air Force in accordance with the Government's decision of the 7th September.[3] The cost of the scheme, which was approved by the Cabinet on the 27th October, was estimated at 5,000,000,000 francs. On the same day the Cabinet authorized the Ministers for War and for the Air to expend sums up to a total of frs. 1,750,000,000 in excess of the amounts which would be allocated to them in the Budget for 1937. On the 28th October the Budget for 1937 was presented to the Finance Committee of the Chamber in two parts—the first covering normal expenditure and the second extraordinary expenditure on armaments and public works. In the extraordinary Budget, which it was the Government's intention to finance by means of special loans, the cost of national defence was estimated at 8,500,000,000 francs (£80,000,000).

In Italy[4] a meeting of the Council of Ministers was held on the 10th October to approve the details of the rearmament programme which had been accepted in principle on the 12th September.[5] The *communiqué* which was published at the end of the meeting did not contain much information regarding the programme, but it announced that 1,200 factories were engaged on the production of war material under the control of the General Commissariat for War Manufactures, and that in some of them the working week had been raised to 60 hours. The re-equipment of the Army was, it was said, proceeding regularly in accordance with the plan and would be completed within the dates fixed. Twenty battalions of Blackshirts were being enrolled in the new Colonial Army, while in order to man the new ships which were under construction an increase of 10,000 in naval personnel would be needed, bringing the total to 60,000. In regard to air strength, the *communiqué* made it known that a sum of 140,000,000 lire was to be spent on the construction of aerodromes in the Po Valley, along the Adriatic and Tuscan coasts, and in Sardinia and Sicily, and that factories were being transformed to construct aero-engines. The construction of aeroplanes had 'reached

[1] See also pp. 124, 143–4, 146, 147–8, above, and pp. 155–6, 159, below.
[2] See p. 146, above.
[3] See p. 148, above.
[4] See also pp. 123, 127–8, 141, 144, 149–50, above, and pp. 154–5, below.
[5] See p. 149, above.

a satisfactory daily figure' but was not yet 'sufficient to meet the existing plans'. A decree was issued on the same day setting up a Consultative Air Council which would be responsible for making recommendations regarding the equipment, personnel and organization of the Air Force. From unofficial reports which were circulating in Rome at the same time, it appeared that the Italian Air Ministry expected to be able to increase their front line strength by 1,500 machines (mostly bombers) before the end of the year.

In Germany[1] the month of October was marked by the first steps towards the execution of the four-years' plan for the attainment of self-sufficiency in raw materials which had been announced at Nuremberg on the 9th September.[2] On the 17th October Herr Hitler signed a decree placing the execution of the plan in the hands of General Göring, and on the 23rd October the new Commissioner made public an outline of the organization which he considered necessary for the carrying out of the scheme. On the 24th October General Göring issued his first decree in his new capacity (this was an order that additional labour should be made available for the harvesting of vegetable crops); and on the 9th November he followed this up by six decrees which were designed to ensure sufficient labour for the execution of armament contracts and other contracts of national importance. Meanwhile, on the 17th October, it had been announced in Berlin that the Army already contained three armoured divisions in addition to the 36 infantry divisions which had been stipulated in the Law of the 16th March, 1935.[3]

Among the smaller European states, Switzerland, Poland, Czechoslovakia, Austria and Belgium all came into the rearmament picture during October. In Switzerland the Government's proposals for the reorganization and reinforcement of the Army[4] were adopted by the National Council on the 6th October, after the head of the War Department, Monsieur Minger, had uttered a warning that all the national defences could not be concentrated on the northern frontier since the international situation was such that it was necessary to keep a watch on all frontiers. On the 15th October the subscription lists for the Swiss National Defence Loan were closed. The Government had asked for frs. 235,000,000, but they actually obtained more than frs. 330,000,000—a result which was specially remarkable in view of the fact that the devaluation of the Swiss franc[5] took place

[1] See also pp. 123, 140–1, 143, 144, 147, 148, 149, above, and p. 156, below.
[2] See p. 148, above.
[3] See p. 123, above, and the *Survey for 1935*, vol. i, pp. 141–4.
[4] See p. 142, above, and p. 156, below.
[5] See the present volume, pp. 180–1, below.

in the middle of the period of subscription, and which certainly bore witness to the determination of the Swiss people to insure themselves to the best of their ability against the threat of aggression. On the 23rd October it was announced that the Government had decided to accept the subscriptions which were in excess of the sum asked for and to use the amount as a special fund for national defence to be called upon in case of need.

In Poland[1] a decree was approved on the 6th October establishing a system of compulsory auxiliary service for able-bodied men who were not liable to be called to the colours immediately on mobilization. It was explained in the press that these auxiliaries would 'execute work for the national defence and for other public needs', and this was taken to mean that they would be employed on the building and improvement of roads and fortifications.

In Czechoslovakia[2] the Budget for 1937 was introduced into the National Assembly on the 16th October, and the Minister of Finance warned the deputies that the estimate of Kč. 1,675,000,000 for defence (which was about one-fifth of the total estimated expenditure) would very probably be exceeded. On the 31st October a decree was issued in Prague providing for the formation of a special force of frontier guards who were to be organized and trained on military lines. In Vienna the first conscripts who had been called up under the law of the 1st April, 1936,[3] were sworn in on the 19th October. And in Brussels, on the 28th October, the Government tabled a revised Bill[4] providing for an increase in the maximum period of military service to eighteen months, for an increase in the annual contingent of conscripts by the suppression of certain exemptions and for the establishment of a small standing force of men trained for service with the artillery, anti-aircraft corps and motorized cavalry, in addition to the existing volunteer force of 26,000 men.

The month of November was opened by a speech from Signor Mussolini at Milan. In this speech, passages from which are quoted in this volume in another context,[5] Signor Mussolini referred to a number of 'illusions' which it was necessary to wipe off the European slate, and declared that one of these 'illusions'—that of disarmament—had already been destroyed. 'No one', he added, 'wishes to disarm first, and to expect that all should disarm together is impossible and absurd'. Eight days later, the reverse of this

[1] See also p. 137, above, and p. 157, below.
[2] See also pp. 141–2, above.
[3] See pp. 142–3, above.
[4] See p. 137, above, for the earlier Bill, and also p. 158, below.
[5] See pp. 125–6, below.

Italian theme was expounded by the head of the Government of another Great Power in another public speech. At the Guildhall on the 9th November the Prime Minister of Great Britain[1] spoke of the 'inconceivable folly' of those who were responsible for governing the great countries of Europe in thus engaging in a new competition in armaments; yet almost in the same breath Mr. Baldwin declared that his Government were determined to devote all their efforts, whatever it might cost in men and money, to do what was necessary to build up the defences of the country. A two-days' debate on defence which began in the House of Commons on the following day showed that Mr. Baldwin's own followers, as well as members of the Opposition, still felt some doubt whether the Government were in fact handling the rearmament problem in the right way. A demand from Mr. Churchill that there should be a Parliamentary inquiry into the whole question of national defence did not, however, receive any substantial support, and the Government's majority on a division was 337 to 131. In the course of the debate Sir Thomas Inskip referred to the difficulties which were being experienced in obtaining a sufficient number of recruits for the Army, but pointed out that similar difficulties were not being encountered in connexion with recruiting for the Navy and the Air Force. There had, indeed, recently been 60,000 applicants for 20,000 places in the Royal Air Force.

In France[2] further particulars regarding the defence programme for 1937 became available during November. The total estimate for the Navy for 1937 amounted to frs. 4,406,000,000 and exceeded by more than frs. 1,000,000,000 the estimate for the preceding year. The estimates for the Army and the Air Force, which were examined by the Finance Committee of the Chamber on the 26th November, amounted respectively to frs. 11,046,000,000 and frs. 3,700,000,000. Rather more than half the sum estimated for the Army and about one-third of that for the Air Force was included in the ordinary Budget, and the remainder appeared in the extraordinary Budget. The total Army Estimate showed an increase of more than frs. 4,000,000,000 over the 1936 figure, while in the case of the Air Estimates the increase was frs. 1,300,000,000.[3] Meanwhile, on the 4th November, Monsieur Daladier had informed the Army Committee of the Chamber of the Government's decision to extend

[1] See also pp. 124, 129–35, 139, 145–6, 151, above, and p. 159, below.

[2] See also pp. 124, 143–4, 146, 147–8, 152, above, and p. 159, below.

[3] The difference between the Army and Air Estimates for 1937 and those for 1936 was decreased on the 9th December when supplementary estimates for 1936, amounting to a total of frs. 1,750,000,000, were issued.

the Maginot line of fortifications along the frontiers of Belgium and Switzerland. On the Franco-Belgian frontier the intention was to build concrete fortresses similar to those in Alsace Lorraine, and there would also be a system of dykes which would enable parts of the frontier zone to be flooded if the need arose. A credit of frs. 500,000,000 was already available for this extension of the frontier fortifications. Other important announcements which were made by Monsieur Daladier on this occasion were to the effect that the Government had decided to raise the number of men in the professional army from 106,000 to 160,000, to introduce a system of compulsory preparation for military service for young men from the age of 18, to reinforce the 'cadres' of officers and non-commissioned officers, and to extend the annual period of service for reservists from three to four weeks. Monsieur Daladier was also said to have refused again to yield to pressure, which came from Communist members of the Army Committee, for a reduction of the period of military service from two years to one year.

In Berlin,[1] on the 10th November, information regarding naval building in hand was published which showed certain notable additions to the list of vessels in commission or under construction which had been published on the 16th May.[2] In particular, it was now admitted that Germany was constructing a battleship of 35,000 tons, in addition to two of 26,000 tons (one of these had been launched on the 4th October and the second was launched on the 8th December), and an aircraft-carrier which had not appeared in the list of the 16th May had also been laid down.

Further developments which took place in the smaller European countries during November included the decision of the Swiss Federal Government,[3] which was announced on the 12th November, to raise a company of volunteers for the permanent manning of the new fortifications. If this experiment proved to be a success, it was expected that additional companies would be raised before the end of the year. In Austria[4] the Army Estimates for 1937 were submitted to Parliament on the 5th November. They were for a total sum of 210,100,000 schillings, compared with the 1936 estimate of 126,400,000. This large increase was attributable to the cost of the recently reintroduced system of compulsory military service.[5] In Rumania[6] an important scheme for the reorganization of the defence

[1] See also pp. 123, 140–1, 143, 144, 147, 148, 149, 153, above, and p. 160 below.
[2] See p. 140, above.
[3] See pp. 138, 142, 153–4, above.
[4] See also pp. 137, 142–3, 154, above.
[5] See pp. 137, 142–3, above.
[6] See also pp. 125, 144, above.

forces was decided on, and a decree was published on the 15th November which provided for the creation of a new Ministry for Air and Marine, of a Superior Council for Air and Marine, and of a Committee for the Co-ordination of National Defence. On the 30th November an agreement between France and Poland[1] was signed in Paris defining the conditions of a French loan to Poland to be used for the purpose of rearmament.

During the second half of November further news of increases in air strength came from the United States[2] and from Russia.[3] In Washington it was announced on the 19th November that the War Department had placed a contract for 120 observation aeroplanes of a new type, and that they expected to attain their full authorized strength of 2,320 machines by the 30th June, 1937. In Moscow an extraordinary Congress of Soviets, which had been convened on the 25th November in order to adopt the new Constitution,[4] was informed by the Assistant Commandant of the Soviet Air Force on the 29th November that the force was already the most powerful in the world. He claimed that the number of fighting aeroplanes, 60 per cent. of which were bombers, had been quadrupled since 1932, and that by the end of the year there would be 100,000 pilots available for military service. On the previous day Admiral Orlov, the Commander-in-Chief of the Navy, had told the Congress that since 1933 the Soviet Union's strength in submarines had increased sevenfold and its strength in seaplanes fivefold, while small surface craft for coastal defence had been trebled and long-range artillery and anti-aircraft batteries doubled. These Russian claims evoked a prompt reaction from Japan. In a pamphlet issued on the 29th November the Japanese War Department prepared the way for still further increases in armaments by laying stress upon the need for building the Japanese Army and Air Force up to the Russian level.

At the end of the first week in December a significant item of news came from the New World, where an Inter-American Conference for the Maintenance of Peace was in session at Buenos Aires.[5] The Conference had set up a Committee on the Limitation of Armaments, and certain delegates, including the representatives of Chile and Brazil, were strongly in favour of an attempt to draft an armaments agreement—the absence of which, they held, would seriously detract from the value of any results that the Conference might produce.

[1] See also pp. 137, 154, above.
[2] See also pp. 128, 139–40, 143, above, and p. 158, below.
[3] See also pp. 124–5, 138, 146–7, 148–9, above.
[4] See the present volume, p. 376, below.
[5] See the present volume, Part VI, section (i).

On the 7th December, however, the representative of Nicaragua put forward the view that it was impossible for the New World to consider disarmament while the Old World was engaged in rearmament. American countries might, he pointed out, find themselves in conflict with states in Europe or Asia, and in the present state of the world it was impossible to say to the United States or to Argentina 'limit your armaments'. This view was apparently that of the Conference as a whole, and all that was accomplished in this field at Buenos Aires was the adoption of resolutions recommending, in general terms, the conclusion of agreements for disarmament and for the humanization of warfare.[1] That the Government of the United States took the view that limitation of armaments was impossible in the existing circumstances had been abundantly proved by their actions during the year,[2] and if further confirmation was needed it was provided by the report of the Secretary for War for the year ending on the 30th June, 1936, which was published on the 20th December. 'In the light of present world conditions', declared this report, 'we cannot afford to neglect measures for our own national safety. A secure defence is our most dependable guarantee against aggression by others.' Among the recommendations made by the Secretary for War were further increases in the size of the Army and the National Guard.[3] The permanent strength which he suggested for the Army was 165,000, and for the National Guard 210,000.

In Western Europe the first week of December was marked by the final enactment of legislation regarding compulsory military service in Belgium.[4] The Bill, which had been introduced on the 28th October,[5] passed the Senate on the 4th December after the adoption of an amendment which reduced the maximum period of service from eighteen to seventeen months for the 'lean years' 1937–41. Just before Christmas it was reported that the Belgian Chamber had passed the Extraordinary Budget for 1937, which provided for a total expenditure of frs. 2,780,000,000, of which the sum of frs. 565,000,000 was allocated to special defence needs—frs. 37,000,000 for fortification works and the rest for the equipment of the Army. In the Netherlands[6] the Defence Budget for 1937, which exceeded the allocation for the previous year by over 22,000,000 florins, passed the Second Chamber on the 19th December, together with a Bill for strengthening the defences of Netherlands India at a

[1] See p. 834–5, below.
[2] See pp. 128, 139–40, 143, 157, above.
[3] See p. 128, above.
[4] See also pp. 125–6, 137, 144, 154, above.
[5] See p. 154, above.
[6] See also pp. 126–7, above.

cost of 25,000,000 florins. It was announced at the same time that legislation would shortly be introduced which would provide for a considerable increase in the yearly contingent of conscripts and would prolong the period of training for the infantry (which was at present only five and a half months) to twelve months.

In Great Britain[1] the month of December did not produce any outstanding developments in connexion with the rearmament programme, but on the 17th December the First Lord of the Admiralty announced in the House of Commons the Government's decision to retain in commission five cruisers which were due to be scrapped before the end of the year.[2]

In France,[3] on the 24th December, the Army Commission of the Chamber began the study of a report on the general organization of the nation in time of war. Legislation on this subject had been in force in France for some years,[4] but the Government had evidently come to the conclusion that it was necessary to revise it in the light of the totalitarian measures that had been taken by other states. It was certainly in harmony with the general trend of events during the year 1936 that the Government of France should have devoted attention as the year was drawing to a close to this problem of mobilizing all the resources of the nation in preparation for another war; yet at the turn of the years 1936 and 1937 it was possible to discern a gleam of hope that circumstances might yet combine to check the 'inconceivable folly' of the race in armaments before the competitors arrived at the inevitable goal. It was not without significance that the French Government, side by side with their endeavours to prepare their country against another catastrophe, should have thought it worth while to make the attempt to revive discussion of the possibilities of reducing or limiting armaments by agreement;[5] nor was there any reason to doubt the sincerity of the British Government's protestations that they would prefer the path of international co-operation to that of competitive rearmament. On the 14th December, for instance, the British Foreign Minister dealt with the question as follows, in a speech at Bradford:

> The world would act wisely were it to turn from armaments competition to economic co-operation. That is a change which we wish to see and to which we are prepared to contribute our share. . . . If a lasting settlement of world difficulties could be reached, including—and this is indispensable—an arms agreement, our help would be willingly, and

[1] See also pp. 124, 129–35, 139, 145–6, 151, 155, above.
[2] See pp. 108–9, above.
[3] See also pp. 124, 143–4, 146, 147–8, 152, 155–6, above.
[4] See the *Survey for 1927*, pp. 2–3.
[5] See p. 148 and footnote 2, above.

indeed wholeheartedly, given. But—and this is fundamental—this country cannot be expected to render help to others either in the economic or in the financial sphere if the only result of such action is to be a further piling up of armaments and a consequent further stress and strain upon the fabric of world peace.

Unfortunately, in the matter of rearmament it was not the 'defensive' Great Powers that were calling the tune, and Mr. Eden's definition of the terms on which Great Britain might be prepared to give economic and financial help to Germany called forth a disappointing response from Berlin. On the 21st December the semi-official *Diplomatisch-Politische Korrespondenz* contained a statement to the effect that Germany's insistence on her right to rearm was absolute and had no connexion with her claims to colonies and raw materials. 'It would be immoral and useless', declared the writer, 'if an attempt were made to bring about an arbitrary settlement of the rearmament situation by means of economic pressure.' Taken at its face value, this statement was merely a confirmation of the German Government's determination to follow to the end the course which they had set themselves; yet this *démenti* did not dispel the belief, which was gradually gaining ground abroad, that economic difficulties might before long compel the rulers of the Third Reich either to take the path of aggression or to consider a bargain along the lines suggested by Mr. Eden. On the question of which of these two courses Herr Hitler was the more likely to follow, the last word may perhaps be left to President Beneš of Czechoslovakia—a statesman who managed to combine a robust optimism with the caution and foresight that were indispensable qualifications for the head of a state which was marked out by a general consensus of opinion as the most likely victim of a possible act of aggression from Germany in the near future. In a message which was broadcast to the people of Czechoslovakia on Christmas Eve, Dr. Beneš declared:

I do not believe in a Russo-German or a Russo-Japanese war, nor in an attack on Austria, Czechoslovakia or Lithuania. In short, I do not believe that war will come, and I hope that my hearers will not expect Germany to fall upon Czechoslovakia. On the contrary, I believe that an agreement between Germany and Western Europe and other states is possible, and that Czechoslovakia, too, . . . will reach an agreement with Germany.

PART II

WORLD ECONOMIC AFFAIRS

By H. V. Hodson

(i) The End of the Gold Bloc

(*a*) Introductory

'By common consent', wrote a leading British economist,[1] 'the declarations on monetary policy which were made on the 26th September by the United States, French, and British Governments as a prelude to the devaluation of the franc constitute the greatest economic event of 1936.' On the face of it this was a remarkable epithet to use of a declaration couched in none too precise terms, having no binding effect, and dealing with a branch of finance far removed fron the economic life of the ordinary man. The declaration, however, drew its significance less from its own detailed content than from its value as a gesture of international co-operation and from its background of financial and economic history, against which setting it appeared as a dividing point between phases of world economic development. It was these two aspects that made it, if not the greatest, at least the most noteworthy, economic event of 1936. The *Survey for 1935*[2] cited the instability of currencies as the chief unstable element in the world economic structure of 1935, and the want of security suffered by the gold standard currencies as the most serious aspect of such instability. 'The possibility of collapse in the remnant of the gold standard system was the chief menace to constancy in international exchanges among the principal trading nations. It was likewise the greatest obstacle to international agreement upon all-round stabilization.'

(*b*) The Weakness of the Franc

The fall of the franc from the Poincaré gold standard had been so long expected that by 1936 many people who had once been impressed by its inevitability had ceased to give credence to the economic prophets.[3] But the cry of 'Wolf, Wolf!' is unnerving even if it has been heard often before, and anxious capitalists thought that they

[1] Professor N. F. Hall in *The Times Annual Financial and Commercial Review*, 9th February, 1937.

[2] Vol. i, p. 40.

[3] The history of the financial difficulty in France is recorded in the *Survey for 1934*, pp. 22–8, and in the *Survey for 1935*, vol. i, pp. 388–92.

heard the baying of the pack itself when the elections of May and June 1936 brought a Government of the Left into power in France with a policy of social and economic reform that was bound to raise costs and almost certain to penalize capital. The first of these threats held in store a worsening of the balance of trade, and therefore a further loss of strength to the franc; the second produced even more directly a downward pressure upon the currency, by causing a nervous outflow of capital. Between the 29th May and the 5th June the Bank of France lost 1,500,000,000 francs net—nearly £20,000,000 at the rate of exchange then ruling. The nervousness was increased, and the loss of capital accelerated, by the outbreak of strikes and by the demands put forward, for incorporation into the new Government's programme, by the Labour Union and Communist groups among Monsieur Blum's supporters.

But behind the momentary scares and temptations lay even more powerful forces driving the franc towards devaluation. It was unmistakably over-valued in relation to other currencies, outside the barricaded zone of Central and Eastern Europe. According to calculations made by *The Economist*,[1] assuming that before the depreciation of September 1931 the pound was over-valued by 10 per cent. against both the franc and the dollar, there had been reached by September 1935 something approaching a fresh equilibrium, on the basis of relative levels of wholesale prices. The apparent 2·8 per cent. over-valuation of the pound in relation to the dollar, and its apparent 2·7 per cent. under-valuation in relation to the franc, were possibly small enough to be accounted for by the unavoidable margin of statistical error, and certainly not too large to be wiped out by a comparatively small further rise in American prices. But the figures calculated in like manner on the basis of cost-of-living index numbers betrayed that the wholesale-price calculations told a distorted version of the truth. Although, on the cost-of-living basis, the degree in which the franc was over-valued had fallen substantially, it was still (in September 1935) as high as 34 per cent. against the pound and 54 per cent. against the dollar. In other words, the price of francs was half as much again in terms of dollars, and one-third as much again in terms of sterling, as it ought to have been if a given sum of money was to go as far in one country as it went in either of the others.

That divergence between the wholesale price level and the retail price level in France could not last. It meant for industry a high cost-structure and poor returns; it meant reduced taxable capacity

[1] In the issue of the 30th May, 1936.

and intensified resistance by the workers to the wage-cuts necessary in order to re-establish a profit margin for their employers. It was the bitter end of deflation. Cost cutting could go no further, and only an inflation of wholesale prices could afford any relief. This inflation came about in the latter part of 1935 mainly through borrowing by the Government to meet Treasury deficits. The French wholesale price level rose by close on 10 per cent. in six months, between September 1935 and March 1936. The result was a renewed widening of the over-valuation of the franc in relation to competing currencies. Even on the basis of wholesale prices, the franc was 9 per cent. over-valued against the pound and 20 per cent. over-valued against the dollar in April 1936, a month before the elections swept the Popular Front into power. The tide of deflation had risen to the flood, and was now falling rapidly, yet it had never reached the high-water mark at which equilibrium would have been restored with the pound and the dollar, and stabilization could have been attempted on a new basis without a fresh decline of the franc against gold.

(c) Monsieur Blum's 'New Deal'

That was the economic situation to which Monsieur Blum fell heir. He brought to it, as head of the Popular Front coalition, a promised programme of social and economic reform, vague in detail but definite in intent, that was bound to increase costs and therewith the over-valuation of the franc, even if it did not intimidate capital into a large-scale migration abroad. Actually, the rapidity and scope of the reforms were increased beyond expectation by the wave of strikes, half organized and half spontaneous, that swept over France in the short interval between the elections and Monsieur Blum's entry into office. The situation when he became Premier may almost be likened to that which faced Mr. Franklin Roosevelt when he became President in 1933. In place of the closed banks of America, there were the thousands of factories, hotels, and large shops of France occupied by 'sit-down' strikers, whose technique was soon to be borrowed by their 'class comrades' across the Atlantic. That the power of trade unionism was as much effect as cause of this movement in France in early June 1936 is proved by the fact that the membership of the unions rose in the course of a few weeks from less than a million to two-and-a-half millions. The strike wave was stemmed (though it took some weeks to recede) only by the signature of a pact, in the early hours of the 8th June, between representatives of the employers and of the Confédération

Générale du Travail, whereby the employers agreed to raise wages by fractions between 7 and 15 per cent., to acknowledge the right of the men to organize themselves in trade unions for collective bargaining, and to permit them to elect shop stewards or union delegates. 'The French trade unions have won the greatest victory in their history,' declared Monsieur Jouhaux, the Secretary-General of the C.G.T., which forthwith instructed all its members to return to work as soon as detailed negotiations with individual employing firms had been concluded.

The pact with the unions, however, was but the industrial aftermath of political decisions. On the 6th June Monsieur Blum had presented to the Chamber his Ministerial Declaration, in which he had announced that in the following week there would be laid before the Chamber a group of Bills which Parliament would be asked to vote before it rose. They would concern a political amnesty; the enforcement of a forty-hour working week; the application of collective labour contracts; holidays with pay; a scheme of public works—that was to say, of economic organization and equipment for health, science, sport and tourism; the nationalization of the armaments industry; the establishment of a wheat office that would set the pace for the revalorization of other agricultural products, such as wine, meat and milk; the raising of the school-leaving age; a reform of the statute of the Bank of France, guaranteeing the preponderance of national interests in its management; and a first revision of the economy decrees in favour of the most severely penalized classes of civil servants and ex-service men. As soon as those measures had been voted the Government would present to Parliament a second series of Bills concerned with unemployment, insurance against agricultural catastrophes, the revision of agricultural debts, and a scheme of pensions for old work-people. Shortly afterwards they would present a broad scheme of revision of the tax system, relieving industry and commerce and seeking new resources from inherited fortunes, from the prevention of evasion, and especially from the revival of general economic activity.

It might have been thought that the devaluation of the franc would have been a natural and deliberate concomitant of this programme, involving as it did increased national expenditure as well as higher costs of living and greater charges upon industry. But that was not Monsieur Blum's policy. The Government, he declared, in reply to interpellations on his Ministerial statement, would not devalue the franc, but would try, by a policy of creating large credits, to obtain the same results in France as devaluation

had secured in other countries. This was, in effect, a repetition of Monsieur Laval's defeated policy of reflation on gold. As Monsieur Blum sardonically observed in his speech, he was being urged to adopt devaluation by many Conservatives who under previous régimes had referred to it as the abomination of desolation. His declaration was criticized not only by Monsieur Paul Reynaud, the long-standing champion of devaluation, who warned the Government that by the time when they were eventually forced to devalue they would find it a far more difficult task than at that moment, but also by such authorities as Monsieur Charles Rist, who wrote:

> The maintenance of the franc at any cost means that the entire French economy is bound more and more by controls and prohibitions at the time when it has need of finding initiative again, and of remaking contact with the group of great Anglo-Saxon economies, which are the only prosperous ones to-day.

Monsieur Caillaux likewise forsook his former advocacy of deflation, declaring that the inevitable rise in prices must lead to a system of *autarkeia* under which France could not live; in order to correct that condition it was necessary to

> precipitate monetary realignment by agreement first with the gold bloc countries and subsequently with the great nations with wandering currencies, which alignment, accompanied by broad commercial accords, will involve monetary and economic peace, an escort to political peace.

It was puerile, he added, to think of clinging to policies which events and human errors had killed. Even Monsieur Germain-Martin, who had been responsible for the defence of the franc in more than one Cabinet since 1931, was found supporting a plan that meant, in effect, external devaluation. He proposed that, while no modification should be made in the legal gold definition of the franc, the Government should seek parliamentary authority for controlling foreign exchange rates through the concentration of international monetary business in the hands of a small body of experts, whose immediate task would be to fix the pound sterling at about 100 francs, and the dollar at 20 francs, and hold them there. The rates actually ruling at the time were about 75 francs for the pound and 15 francs for the dollar.

In face of these criticisms as well as of the ineluctable economic facts driving the franc towards devaluation, Monsieur Blum must have had powerful reasons for opposing it. It is possible to discern at least three. First, the Communists, who were a necessary element in the Popular Front majority, were strongly hostile to devaluation.

They saw in it a means of robbing the French worker, through a rise in the cost of living, of the social and economic gains secured for him by industrial and political action; and as a party they had no interest in preserving the general health of a capitalist economy by a restoration of profits. If, in the Communist ideology, profits were surplus value filched from the workers, a measure designed to enlarge them could only spell injury to Labour in the long run; the Communist remedy was nationalization of economic life and a guaranteed livelihood. Secondly, the Popular Front had just won an election on an anti-devaluation platform, and, whatever the necessities might be, their prestige with the millions of small *rentiers* who had voted for them must inevitably be damaged if they made no effort to carry out this part of their promises. Thirdly, Monsieur Blum and his colleagues were statesmen enough to realize that devaluation by France alone without agreement either with her colleagues in the gold bloc or with Great Britain and the United States would be a perilous and perhaps a fruitless operation. It might easily fail either to reassure French capital that no further depreciation was likely, or to gain sufficient exchange advantages for French trade, since what Monsieur Caillaux had called 'the wandering currencies' might themselves be depreciated still further against gold, or might seek protection behind additional obstructions to trade. On the other hand, devaluation by international agreement might prove a supreme opportunity for relaxing trade restrictions and stabilizing the 'wandering currencies' themselves. Hence Monsieur Blum and his Ministers renewed their expressions of determination to maintain the gold value of the franc, and their expostulations were enough to check for the time being the outflow of capital and to cause a rally in the franc on the exchange markets. Between the 19th June and the 7th August the Bank of France gained 1,036,000,000 francs worth of gold—about £14,000,000. In the previous three months the net loss of gold had been 11,748,000,000 francs—£157,000,000.

Meanwhile, the Popular Front Government had been putting into law their social and economic programme. The labour laws enforcing the system of collective contracts, annual holidays with pay, and the forty-hour week were followed by the nationalization of industries making munitions of war, the authorization of a large programme of public works (20,000,000,000 francs—spread over three years and raised by medium or long-term loans—of which 4,000,000,000 francs would be spent in the current year), the enforcement of a system of controlling prices, a reorganization of the coal trade, and the creation

of a national monopoly in the distribution of wheat. The last-named measure may be compared with Monsieur Flandin's attempt in 1934 to bring health to the wheat trade by removing some of the artificial impediments and allowing the price to find its natural level.[1] Monsieur Blum's Bill sought, by contrast, to maintain a fixed price and to guarantee a market to the farmer. The price would be fixed by a National Wheat Office as soon as possible after each harvest, and every farmer would have the right to sell 185 bushels outright to the co-operatives and to obtain an advance of two-thirds of the price on the rest of his crop. The Office would have a monopoly of imports and exports of wheat, and if there proved to be a surplus of wheat for export, at prices below the French level, it would be entitled to recoup itself by deducting up to 20 per cent. from the fixed price payable to the larger farmers. Funds for the necessary payments and advances would be furnished by rediscount credits with the Bank of France through the Agricultural Credit Institute.

This was not by any means the only extra strain laid by the programme on the lending capacity of the central bank, quite apart from the direct needs of the national Treasury. At the end of July the Government tabled a series of Bills for the extension of credit to industries producing both for export and for the internal market. Their purpose was stated to be to overcome the strain of higher costs due to the raising of wages, the reduction of hours, and the introduction of paid holidays. For internal trade, departmental loan committees were to be formed to examine applications for credit and forward them through the various Banques Populaires to the Bank of France. The Bank would furnish funds at 3 per cent. plus ½ per cent. for costs, and the credits would be for ninety days, renewable twice. Their amount was not to exceed the additional charges upon industry due to the labour legislation, or 12 per cent. of the wages actually paid in the previous year. The Bank of France would be protected by a state guarantee of these credits up to a limit of 3,500,000,000 francs.

For export industries the credits would be offered at ½ per cent. plus costs. If, at the end of their nine-months' term, the advances were still required, they would be prolonged and consolidated through a special institution. Credit would also be forthcoming for the liquefaction of frozen credits abroad. French exporters had about £300,000,000 locked up in Italy, and these credits might now be rediscounted at about 3 per cent., in place of the 7 per cent. to

[1] See the *Survey for 1934*, pp. 25–6.

9 per cent. previously asked. The export credits guarantee system, hitherto applicable only to contracts with foreign public bodies, would be extended to contracts with private importers, and the limit of the state's engagements would be raised from 1,000,000,000 francs to 2,000,000,000 francs. The Government also proposed, in view of the burden imposed by higher wages and shorter hours of labour, to enlarge the financial assistance awarded to merchant shipping. The state subsidy would be increased by 110,000,000 francs for the remainder of the year, and the deficit of the state-controlled Messageries Maritimes would be 50,000,000 francs greater than had been anticipated.

The cheapening and expansion of credit, directly or indirectly dependent on the facilities of the Bank of France, implied a radical change of policy and outlook on the part of that institution, which in turn required, in the Government's view, a radical overhaul of its constitution and management. The reform of the Bank of France had been one of the issues raised most prominently by the parties of the Left in the election—a popular one, not only because Frenchmen, like the citizens of other countries, tended to lay the blame for general depression on the shoulders of money manipulators and of defects in the system that they operated, but also because the antiquated constitution of the Bank was an easy target for the popular reformer. Although the Governor and two Deputy Governors were appointed by the President of the Republic on the advice of the Government, the Bank remained, like the Bank of England, a private concern, and its general administration was in the hands of a Council of Regents elected by the 200 largest shareholders. As there were about 40,000 shareholders, two-thirds of whom held only one or two of the 1,000 franc shares each, the system represented a close and largely hereditary oligarchy, and there was a popular legend of the 'two hundred families'—mostly private bankers and their connexions—who were supposed to hold French finance in thrall. It was also complained that the Governor and Deputy Governors, partly because of the legal qualifications for their posts, were generally drawn from the same oligarchic group of private bankers.

Under the reforms of the Popular Front Government, the existing system of appointing the Governor and Deputy Governors was retained, but those functionaries need no longer be shareholders; moreover, they were barred from having an interest in any other business while they held office or for three years thereafter, during which period they would be paid ample salaries. Of the remaining twenty members of the new Council, the Ministers of Finance,

National Economy and Colonies were to appoint one each, and six were to be members by virtue of their offices at the head of Government financial departments; six were to be nominated by the Minister of Finance from a list submitted by various national associations, representing chambers of commerce, trade unions, co-operative societies and similar bodies; one was to be nominated by the national association of savings banks from among its own members, one by the National Economic Council, and one by the staff of the Bank itself; finally, two others, engaged in industry and commerce but having no connexion with any banking house, were to be elected by the general body of shareholders. This scheme clearly converted the Bank into a public, if not entirely a governmental, concern. But a show was also made of establishing a more democratic system among the shareholders themselves. Every shareholder of French nationality was to be entitled to one vote in the General Assembly, irrespective of the size of his shareholding. The Assembly's powers, however, were to consist in little more than electing two members of the Council and the three *censeurs* (auditors), who were to sit with the Council in a consultative capacity only.

In his statement on the financial situation on the 19th June the new Minister for Finance, Monsieur Vincent Auriol, denied that there was any question of nationalizing the private banks, which would be subject only to the same kind of general supervision as industrial firms. It must not be thought, however, by analogy with the Bank of England and the Federal Reserve system, that this reform of the Bank of France concerned only a central banking authority in the sense of a banker's bank. The Bank of France was also a great commercial bank, discounting bills in the ordinary course of business for clients up and down the country—not, like the Bank of England, merely a last resort for the metropolitan money market—acting as a clearing house, and for many private and business customers as an ordinary bank, and maintaining about 650 branches and subsidiary offices. It thus had a direct as well as an indirect control over the private and commercial credit structure of the country. This lent additional importance to its new policy, initiated by Monsieur Labeyrie, who replaced Monsieur Tannery as Governor immediately after Monsieur Blum's entry into office. Monsieur Labeyrie had been permanent head of the Ministry of Finance under earlier Ministries of the Left and Left-Centre. The bank rate was lowered at the end of June. In November 1935 it had been 3 per cent.; then it had risen rapidly to 6 per cent., falling again to 3½ per cent. at the end of January 1936. When the Popular Front Government came into

power their predecessors' efforts to arrest the decline of the franc and the outflow of gold had brought the bank rate back to 6 per cent. By the 9th July it had been restored by three stages to 3 per cent., and the Bank's loan rate, which had been 8 per cent. a month previously, had been reduced to 4 per cent. The new Governor, addressing the first meeting of the reformed Council, denied that the powers of the Bank would be used to inflate the currency. If, he said, the Bank were ever to neglect those strict rules, applied to discounts and advances, which alone could ensure the rapid return of notes issued, it would itself be organizing, through an uncontrollable inflation, the destruction of the national credit over which it should be guardian.

The relaxation of interest rates, the return of refugee money and the influx of gold were associated with the efforts of Monsieur Auriol to refill the drained coffers of the Treasury. In his statement of the 19th June, he estimated the Budget deficits in 1934, 1935, and the current year, 1936, at 8,800,000,000 francs, 10,000,000,000 francs, and 7,000,000,000 francs respectively. In the past four years—the life of the previous parliament—he said, the redeemable debt of the state had increased by 75,000,000,000 francs, against a fall of 44,000,000,000 francs in the perpetual debt. Medium-term and short-term debt had increased by 16,000,000,000 francs, and the floating debt by 66,000,000,000 francs. For the next six months an almost empty Treasury had to meet an estimated outflow of over 10,000,000,000 francs: 2,000,000,000 francs for the Budget deficit, 5,000,000,000 francs for national defence to be met out of capital, and 3,000,000,000 francs needed to repay the loan made in February 1935 by the British banks.[1] Yet of the issue of 22,780,000,000 francs of Treasury bills that had been sanctioned, 21,940,000,000 francs had already been issued, including 14,000,000,000 francs rediscounted by the Bank of France. The needs of the Treasury confronted a public that had preferred hoarding to lending. In the previous eighteen months, said Monsieur Auriol, 26,000,000,000 francs had been exported abroad in the form of gold, foreign currency, or securities. Private hoards of gold, ingots, and coins in France had risen from 4,500,000,000 francs to 6,000,000,000 francs since the beginning of 1933. A total of 30,000,000,000 francs in Bank of France notes was also hoarded.[2]

[1] See the *Survey for 1935*, vol. i, p. 391.

[2] Monsieur Strohl, the Secretary-General of the Bank of France, had estimated the internal hoarding of gold and notes, six months previously, at between 30,000,000,000 and 40,000,000,000 francs.

Repudiating the idea of a capital levy, Monsieur Auriol announced the Government's plans for dealing with the situation. They would extend until the 15th July, the latest date for the compulsory declaration of capital abroad by its owners. False declarations or failure to declare would be heavily penalized. Second, they would in a few days issue short-term bonds in small dimensions to be marketed all over the country, not only by the banks but also by post offices and other government institutions. In the meantime, in order to meet current expenses, the Government would frankly and directly ask the Bank of France to open a credit for them, which would not be used if the short-term bonds were taken up as they hoped. The credit would have a maximum limit of 10,000,000,000 francs. The 14,000,000,000 francs in Treasury bills rediscounted by the Bank would be converted into temporary advances bearing no interest. At the same time the legal maximum issue of Treasury bills would be reduced to 20,000,000,000 francs, but this would still admit a total of 12,000,000,000 francs as yet unissued.

With this financial statement the outline of the Popular Front's economic strategy for the short run was completed. Its purpose, as Monsieur Blum repeatedly emphasized, was to restore prosperity, not to establish the Socialist state. And its financial plan was reflation on the gold standard combined with the restoration of confidence. If the latter was lacking, the former was impossible. The appeal to the nation for subscriptions to the special short-term bonds, which were promptly dubbed 'Baby Bonds', was regarded on all hands as the test of financial confidence among the *petits rentiers* who made up the mass of the French nation. The issue was made on the 10th July, in the form of Treasury bonds with a currency of one year or six months, in denominations ranging from 200 francs (£2 13*s.* 4*d.*) to 100,000 francs (£1,333). The yearling bonds bore interest at 4 per cent., and the six-months bonds at 3½ per cent. These seemed bountiful rates of interest compared with the fractions of one per cent. paid by the British Treasury at the time on short-term securities; but whereas the long-term credit of the British Government was then on a basis of 2½ to 2¾ per cent., the current yield on French *rentes* was about 5¾ per cent.

Even with so high a rate of return the bonds—which would have been very attractive to British and American professional investors but for the risk of loss on exchange—met with no great success. By the 4th August public subscriptions had exceeded 2,300,000,000 francs, and there had been a slow return of gold to the Bank of France; but this figure was considered definitely disappointing by

the market, and the bank return of the 7th August was the last to show an increase of the gold reserve. Only 4,000,000,000 francs had been subscribed by the 23rd September, when the issue was suspended. The Spanish war and the international dangers that it conjured up heightened the nervousness of investors and speculators, with the result that capital once more began to seep out of France.

The authorities of the British Exchange Equalization Account, who had had to buy francs and convert them into gold at the Bank of France in order to prevent a collapse of the spot rate for francs, chose this period to bring to London large sums in gold which they held under earmark. In the first fortnight in August gold flowed into England from France at the rate of over £13,000,000 a week. The Exchange Equalization Account had sold to the Bank of England since the beginning of the year gold to the nominal value of some £45,000,000. This sale of gold to the Bank was dictated both by the needs of the Account, which had seen its supply of sterling steadily depleted as a result of its co-operation with the Bank of France in supporting the franc, and by those of the Bank of England, which had seen its reserve depleted as a result of a growing demand for currency. The call for currency was itself due not only to internal forces like the increased activity of industry or the seasonal holiday demand but also partly to the hoarding of British notes by continental holders. Contemporary expert estimates placed the total of hoarded sterling at about £30,000,000. By the beginning of June 1936 the reserve of notes and coin in the banking department of the Bank of England had fallen to a level that would almost have caused a panic in the days when the pound was on the gold standard. It was £22,846,000 less than it had been a year previously, although in the meantime the total metallic reserve had risen by £14,716,000. This was an index of the strain placed on British internal monetary arrangements by the maintenance of the gold standard in France in the face of adverse influences. The Bank's position was corrected, however, by its purchases of the Exchange Account's gold, imported from Paris.

The French Government made unavailing attempts to check administratively the outflow of capital. An Act of the 13th August, 1936, obliged banks and financial concerns to disclose particulars of all securities, not acquired in trading on the bourse, exported by them or through them since the beginning of 1934, and a demand to this effect was circulated on the 2nd September. This requisition was additional to the law compelling citizens to declare what capital they

held abroad at the 31st December, 1935 (property acquired in the course of 1936 need not be disclosed till the end of the year). The period of grace for such declarations, which was to have expired on the 1st September, was extended by the Government; this decision was regarded as evidence that the disclosure had been far from complete, and that the Government hoped that a postponement of the date when penalties for non-disclosure would be enforced, combined with fresh warning of the penalties' severity, would unlock the secrets of refugee capital. Restrictions were placed on the purchase of foreign bank notes; the sale of gold coin was virtually prohibited; and travellers from France were obliged to declare any gold or precious metals that they were taking from the country. Heavy punishment was provided for any one who knowingly spread rumours calculated directly or indirectly to shake the confidence of the public in the soundness of the currency, or who incited to the withdrawal of deposits or the sale of government securities. It was explained in the debates on this measure that a genuine advocacy of devaluation was not proscribed—a necessary proviso, since even the Governor of the Bank of France was talking cautiously of 'currency realignment'. On a visit to the President of the Netherlands Bank at the beginning of August—an episode which itself gave rise to rumours of impending devaluation by the gold bloc—he declared that an international currency understanding was indispensable for a return to more normal economic conditions through a revival of world commerce, and that such an understanding must be accompanied by a new alignment of currencies.

A series of political and economic troubles in France increased the pressure on the franc. Early in September many observers feared the break-up of the Popular Front Government over Monsieur Blum's policy of non-intervention in the Spanish Civil War. No sooner were these fears laid aside—after the franc had fallen to the lowest rate against the pound for over two years—than a fresh wave of strikes swept industrial France. A great strike in the Lille textile industry was settled on the 17th September, after intervention by Monsieur Blum and his Minister of the Interior, on a basis of a six per cent. rise in wages. While settlements such as these relieved fears of immediate catastrophe, the rise in the level of wages was regarded as certain in the long run to undermine the international value of the franc. Reassuring statements by Ministers had little lasting effect. The Government's efforts would be continued within the framework of the present capitalist system, declared Monsieur Auriol. They were handicapped by a wrong psychology among many classes, said

Monsieur Blum, appealing to the nation on the 20th September to regain self-confidence as a prelude to national recovery.

A financial market already convinced that devaluation was inevitable paid excited attention to the report of the League of Nations Financial Committee to the Council, published on the 22nd September, in which the opinion was expressed that the disparity between internal and external currency values was the greatest obstacle in the way of world-wide recovery.

> It may well be thought that the dollar and sterling countries, which have obtained so great a progress in their economic activity, would hardly wish deliberately to embark upon a policy of further devaluation, provided, of course, that the measures chosen by other countries to adjust their price-levels do not exceed what is required for their internal equilibrium.

A combination of solid and speculative influences brought fever to the exchange market. The British Exchange Equalization Account, operating in London, held the spot rate for francs at about 77 to the pound sterling, at the cost of buying enormous quantities of foreign currency. The American exchange fund, operating in Paris, was also forced into heavy purchases of francs, though the rate at which the spot exchange was pegged allowed large and profitable arbitrage transactions in gold to take place between Paris and New York. Net imports of gold into the United States from France, which had been small in July and August, rose to $136,000,000 in September and $95,000,000 in October, practically all the latter amount having been contracted for before the 20th September.

The forward exchange rates provided a truer index of the market's estimate of the probable future of the franc. On the 24th September the discount on three-months francs in London touched 8 francs, equivalent to market odds of two to one against depreciation by twenty-five per cent. within the quarter-year. On that day the French bank rate was raised from three to five per cent. A rise in the bank rate was the classical weapon of defence against an outflow of gold, but, as on other occasions in the history of acute currency instability, the practical effect was the reverse. The raising of the rate was regarded as a sign, not of strength, but of weakness, all the more because it represented a complete reversal of the French Government's previous policy of cheap credit, which was an essential part of Monsieur Blum's economic programme. On the 25th September, in a market full of rumours, the discount on three-months forward francs rose to a level equivalent to approximately an even bet on devaluation by twenty-five per cent. within the three months.

(*d*) The Three-Power Currency Declaration

At last the market's long-felt pessimism about the future of the 'Poincaré'[1] franc was vindicated. Late on the 25th September the French, British and United States Governments issued statements in similar terms, *mutatis mutandis*, announcing the devaluation of the franc and their agreement to 'use the appropriate available resources' in order to avoid as far as possible any resultant disturbance of the basis of international exchanges. The British *communiqué* ran:

> 1. His Majesty's Government, after consultation with the United States Government and the French Government, join with them in affirming a common desire to foster those conditions which will safeguard peace and will best contribute to the restoration of order in international economic relations, and to pursue a policy which will tend to promote prosperity in the World and to improve the standard of living.
>
> 2. His Majesty's Government must, of course, in its policy towards international monetary relations, take into full account the requirements of internal prosperity of the countries of the Empire, as corresponding considerations will be taken into account by the Governments of France and of the United States of America.
>
> They welcome this opportunity to reaffirm their purpose to continue the policy which they have pursued in the course of recent years, one constant object of which is to maintain the greatest possible equilibrium in the system of international exchanges, and to avoid to the utmost extent the creation of any disturbance of that system by British monetary action.
>
> His Majesty's Government share with the Governments of France and the United States the conviction that the continuation of this twofold policy will serve the general purpose which all Governments should pursue.
>
> 3. The French Government inform His Majesty's Government that, judging that the desired stability of the principal currencies cannot be ensured on a solid basis except after the re-establishment of a lasting equilibrium between the various economic systems, they have decided, with this object, to propose to their Parliament the readjustment of their currency. His Majesty's Government have, as also the United States Government, welcomed this decision, in the hope that it will establish more solid foundations for the stability of international economic relations.
>
> His Majesty's Government, as also the Governments of France and the United States of America, declare their intention to continue to use the appropriate available resources so as to avoid so far as possible any disturbance of the basis of international exchanges resulting from the proposed readjustment. They will arrange for such consultation for this

[1] The revaluation of the franc in 1928 was described in the *Survey for 1931*, pp. 180–3.

purpose as may prove necessary with the other two Governments and the authorized agencies.

4. His Majesty's Government are moreover convinced, as are also the Governments of France and the United States of America, that the success of the policy set forth above is linked with the development of international trade. In particular, they attach the greatest importance to action being taken without delay to relax progressively the present system of quotas and exchange controls with a view to their abolition.

5. His Majesty's Government, in common with the Governments of France and the United States of America, desire and invite the co-operation of the other nations to realize the policy laid down in the present declaration. They trust that no country will attempt to obtain an unreasonable competitive exchange advantage and thereby hamper the effort to restore more stable economic relations which it is the aim of the three Governments to promote.

In Paris it was announced simultaneously that the franc would be maintained at a level within the limits of 49 and 43 milligrammes of gold, nine-tenths fine. Since the former gold content of the franc had been 65·5 milligrammes, this represented a depreciation of 25·2 to 34·4 per cent. An exchange equalization fund of 10,000,000,000 francs would be established, in charge of the Bank of France but under control of the Treasury, in order to maintain the new exchange level. All stock exchanges and foreign exchange markets in France were closed, while Parliament was called in special session to discuss the Bill to legalize devaluation.

Besides fixing the legal limits of devaluation and setting up the new fund, this measure (as amended and passed on the 1st October) provided for the revaluation of the gold reserve of the Bank of France on the basis of the higher limit of the franc's new gold-content. The increment, which would amount to about 17,000,000,000 francs, would, with the surplus accruing from the revaluation of foreign exchange holdings, be assigned to the Government; 10,000,000,000 francs would form the exchange stabilization fund, and the remainder would go to reduce the interest-free advances of the Bank of France.[1] The law also obliged all persons of French domicile to declare their gold hoardings at home or abroad as on the 26th September, and provided severe penalties for default. All transactions in foreign exchange in the week preceding devaluation must also be disclosed. An extraordinary tax of fifty per cent. was imposed on net profits arising from forward transactions in French security markets during that week, except transactions in French government securities and those arising out of ordinary commercial business. Power was granted to the Government to combat by executive action any

[1] See above, p. 171.

increase of prices not justified by the higher cost of imports, and to settle labour disputes arising from any increased cost of living between the date of devaluation and the 31st December. On the 2nd October, after the devaluation measure had passed into law, the French bourses and exchange markets reopened, and the Bank of France reduced its discount rate from five to three per cent.

Up to the moment of the issue of the three-Power monetary declaration, its secret had been perfectly kept, although its terms must obviously have been carefully deliberated for some time beforehand. Monsieur Auriol indeed revealed that negotiations for an agreement had been carried on ever since the Popular Front Government came into office. The French Government would never have devalued by unilateral action, said Monsieur Blum in a press interview; they were prepared to devalue, however, as the first step to a new era in economic relations. It was from its character as a first step that the declaration drew its chief economic importance; for its actual terms did not go far.[1] They involved no pledge from the United States Government not to use their power further to devalue the dollar from fifty-nine per cent. to fifty per cent. of its former gold content, nor from the British Government to maintain the pound sterling in a permanently stable relation to gold. The immediate practical purpose was a temporary one: to avoid as far as possible the disturbance of the international exchanges resulting from the readjustment of the franc. 'Sterling is still free', declared Mr. Neville Chamberlain on the 6th October. 'It is not linked to gold or to any other currency. There is no alteration in the credit policy which is necessary to preserve the internal prosperity of this country or of the other countries of the British Empire.' On the same occasion, however, the Chancellor of the Exchequer expressed his faith in an eventual return to an international gold standard, and his disbelief in the opinion that a permanent system of managed currencies would be a feature of a new monetary era then opening.

> I do not see any reason to alter the view which I have expressed before—that in the end we shall probably come back to an international monetary standard on the only basis which appears to give general confidence. Of course, it will be necessary before we do that to provide security against those violent fluctuations in the value of gold as ex-

[1] Cf. Mr. Neville Chamberlain at Margate, on the 2nd October, 1936: 'When the French Government decided to propose to their Parliament the readjustment of the exchange value of the franc, I was very glad to be able to co-operate with them and with the Government of the United States *in minimizing the disturbing effects of that operation*, and I am hopeful that the declarations issued by the three Governments will prove to be *a step towards the restoration of more stable conditions* in the international monetary system.'

> pressed in terms of commodities which have occasioned so much disturbance in recent years. If we do that—and that is a matter for further international co-operation—then I do not see any insuperable difficulties in the way of our ultimately arriving again at a currency system based on the free exchange of gold.

There can be little doubt that the French Government made an effort to secure a definite restoration of the international gold standard as part of the currency alignment, and that their inability to persuade the British and United States Governments to accept this plan postponed the devaluation of the franc until its position had deteriorated violently.

(e) The End of the Gold Bloc

The hope of bringing the pound and the dollar back into the gold standard fold, on a basis of lower gold contents all round, and the need for at least avoiding the competitive depreciation of those currencies and for enlisting the resources of the British and American exchange funds in upholding the experimental 'Blum' franc, had indicated an approach by the French authorities to Great Britain and the United States before they sought definite agreement with the other countries of the gold bloc itself. The pressure of time under which the final decision was reached precluded such a previous agreement, though it was also suggested that the necessary secrecy would have been endangered had more countries been brought into the discussions. In any case, there is evidence that the collaboration of the other two chief countries of the gold bloc, Switzerland and the Netherlands, in devaluation might not have been easily secured. The Governor of the Netherlands Bank was in Paris on the 25th September, and presumably was informed at least of the possibility of devaluation and of the three-Power agreement. Yet, forewarned as he must have been, he and the Netherlands Government announced, after the French decision had been published, that the Netherlands would maintain its monetary policy unchanged. It was reported[1] that on the 24th September a French delegation had arrived at Berne to persuade the Swiss Federal Council to accede to devaluation. The Council, however, was apparently of opinion that Switzerland had no such special reasons as France for devaluing her currency; for after an emergency meeting of the Council during the morning of the 26th September it was publicly announced that the Swiss franc would not be devalued.

At 2 o'clock on the same day, however, the announcement was reversed, and on the following day the Federal Council decided

[1] *The Financial News*, 28th September, 1936.

to instruct the National Bank to reduce the gold content of the Swiss franc to a level between 190 and 215 milligrams. The previous gold content having been 293 milligrams, those limits were equivalent to devaluation by a percentage between 26·6 per cent. and 35·2 per cent. Increases of retail or wholesale prices, hotel tariffs, prices for gas or electricity, or rents, would be prohibited except with the approval of the Minister of Economics. The Swiss decision caused the Netherlands Government also to change their mind. After an emergency Cabinet meeting on the evening of the 26th September, the Governor of the Netherlands Bank issued the following statement:

> After the monetary measures taken in France and Switzerland, Holland is the only country which has kept its currency on its previous gold basis, and therefore it will be exposed to heavy pressure on foreign exchange rates and gold stocks, so that the necessity of pursuing the present monetary policy cannot be considered as still existing.
>
> To prevent being forced to abandon the gold standard, the Netherlands Government . . . has decided, in full accord with the Netherlands Bank, to lay an embargo on gold exports from the 27th September, unless such exports are covered by the authentic certificate of the Netherlands Bank.

This was bowing to the inevitable. On the 26th September alone, which was a Saturday, the Netherlands Bank had sustained losses of gold estimated at 20,000,000 florins—nearly £3,000,000 at the pre-devaluation rate of exchange.

Thus, in some confusion, the gold bloc came to an end. Although in its then existing form it had been constituted as a by-product of the World Economic and Financial Conference of 1933,[1] its origins may be traced back to the Latin Monetary Convention of 1865 between France, Belgium, Switzerland and Italy, to which Greece also acceded later. The Latin Monetary Union was on the 'limping' bimetallic standard, which gradually became assimilated to the gold standard in practice. The Union formally came to an end in 1926, but from its inception until September 1936 Switzerland had not altered the gold content of her currency, though gold coins had almost vanished from circulation. The Netherlands was on the silver standard until 1873, and for two years thereafter had no metallic standard, but like Switzerland she had escaped the necessity of reducing the gold content of her currency for more than two generations.

While the abandonment of the former gold parities in the Netherlands and Switzerland must be regarded as subordinate to the devaluation of the French franc, it was justified and might later

[1] See the *Survey for 1933*, p. 61.

have been necessitated by reasons that affected those countries separately. Political vicissitudes in France excited greater speculative activity in her currency than in those of her fellow members of the gold bloc, and in any case speculation was certain to be concentrated on the market in which the largest sums were involved. But every attack on the French franc had repercussions upon the Swiss franc and the guilder, both because devaluation in France was expected to draw the other currencies with it, and because the most powerful and permanent reasons for devaluation were common to all members of the gold bloc. Over-valuation of the currency, expressing itself in strained balances of international trade and the rigours of internal deflation, was a feature of all three national economies. On the other hand, partly because the exceptional weakness of the French franc enabled the Netherlands and Switzerland periodically to acquire gold in Paris, they suffered no steadily adverse trend in their gold reserves. In spite of periods of loss, the gold reserve of the Netherlands Bank actually increased by some £20,000,000 net in the twelve months preceding devaluation, and that of the Swiss National Bank by over £12,000,000. The whole of the latter sum was accounted for by imports of gold from Italy, who was compelled by the pressure of sanctions and the needs of her Abyssinian campaign to dispose of her reserves.[1] This strengthening of their gold reserves made it all the easier for the two smaller countries of the gold bloc to keep interest rates low, as part of their official policy of recovery on the gold standard. The central bank's discount rate was lowered to 2½ per cent. in the Netherlands on the 4th February, 1936, at which level the Swiss rate had stood for many months. The policy of the Netherlands Bank, however, was one of resolute use of the classical weapon of the discount rate to defend the gold standard, and the fears of immediate devaluation in the gold bloc that followed the French elections forced it to raise the bank rate to 4½ per cent. on the 4th June. By the 7th July the rate was down again to 3 per cent.; and in Switzerland, where no such defensive action had been taken, the bank rate was lowered to 2 per cent. on the 9th September. Neither central bank made any immediate alteration in interest rates as a result of devaluation, but on the 20th October the discount rate in the Netherlands was reduced to 2½ per cent., and Switzerland followed with a reduction to 1½ per cent. five weeks later. The Netherlands bank rate was lowered to 2 per cent. on the 2nd December.

The character of the devaluation was different in the two countries,

[1] See the *Survey for 1935*, vol. ii, p. 438.

as befitted their different monetary history. Neither of them restored a fixed rate of convertibility between currency and gold, and both set up exchange defence funds to maintain their currencies at a stable international value. But, whereas for the time being the gold system was suspended altogether in the Netherlands, the following announcement was made in Switzerland on the 29th September:

> At the States Council, Monsieur Mayer, President of the Confederation, said that the Federal Council had decided that the freedom of the movement of gold should be maintained. Switzerland intends to follow the currencies of the big Powers at a distance of ten per cent. The Swiss currency will be based on gold. Alignment on American, British, and French currencies will only be effected in so far as these currencies are stabilized on a gold basis.

The Swiss Government did not announce their decision to adhere to the three-Power currency agreement until the 4th November, and the Netherlands Government not until the 24th November, 1936.

On the other hand, Belgium, who had devalued her currency eighteen months before her fellow members of the gold bloc,[1] adhered to the three-Power agreement without hesitation immediately after it had been published. Speaking on the 4th October, the Premier, Monsieur van Zeeland, said that Belgium was ready to collaborate in any policy for the benefit of the common interest. There were no fears, he added, of possible unfavourable influences of the French devaluation on the Belgian situation. On the contrary, France, by dint of her internal recovery, would be able to buy more goods, and her new monetary policy would undoubtedly facilitate world stabilization. An incidental advantage to Belgium of the cheaper franc and guilder was the saving on interest and redemption charges on the many public and private loans raised by her in the money markets of France, Switzerland, and the Netherlands; the Minister of Finance stated on the 30th September that the national debt charge would be thereby reduced by 100,000,000 francs a year.[2]

The economic improvement in Belgium after devaluation[3] had continued in 1936. Unemployment declined and the 'scissors' of wholesale and retail prices became more favourably adjusted. In

[1] See the *Survey for 1934*, pp. 30–4.

[2] The capital sums outstanding in the three currencies totalled 1,875,000,000 French francs, 29,000,000 Swiss francs, and 105,000,000 guilders. In addition to this Government debt, the loans raised in the gold bloc countries by public concerns like the telegraph administration and the railways, and by private corporations, ran into several thousand million Belgian francs.

[3] See the *Survey for 1935*, p. 394.

eighteen months retail prices rose by ten per cent., while wholesale prices rose by 25·4 per cent. Handicaps to the country's economic advance appeared, however, in political and industrial disturbances. The weakening of the Government's majority and the rise of the Rexists and Communists at the elections of May 1936 gave a certain shock to confidence, and the adoption of a new and more independent foreign policy held out the prospect of greatly increased expenditure on armaments. Partly through contagion from the successful demonstrations by Labour in France, a rash of strikes, particularly in the coal industry, broke out in the middle of June. They were settled on terms conceding most of the workers' demands; wages were to be raised, there were to be holidays with pay, and trade unions were to be recognized. Only regarding the introduction of a forty-hour week was a certain delay conceded. On the 24th June the Prime Minister made in the Chamber an important declaration outlining the economic and social reforms that had been adopted by the Government. They included minimum wages, holidays with pay, the forty-hour week in unhealthy trades, an effort towards reduced taxation in the interests of the middle classes, a control of the private manufacture of arms, a tightening up of company law and the regulation of financial business, re-examination of the statutes of the Bank of Belgium, the conversion of external debt, the establishment of a credit institute for agriculture and far-reaching changes in the system of government itself.

The likeness between these reforms and those initiated by the Popular Front Government in France was too close to be accidental. It was evidence, in the first place, of the immense attractive power of the French 'New Deal', itself partly inspired by the original New Deal across the Atlantic. In the second place, since the French Government bloc extended as far Left as the Communists, and the Belgian Government bloc as far Right as the Catholics, while Mr. Roosevelt had behind him an unprecedented popular majority of a nation traditionally capitalist and conservative in its economic outlook, the similarity of their economic reforms showed that the movement for better working conditions, for a higher standard of life, and for closer public control of certain branches of capitalist activity was the product more of the world-wide circumstances of the time than of the accidents of party politics. It was the reaction from the depression, the fruit of its cruel lessons, and it was rendered possible only by the economies forced upon public finance and private enterprise during the deflationary period. The tide of social advance in the Western World did not creep slowly up the shore; through the successive

phases of slump and boom the waves receded and returned, to drive forward their high-water mark yard by yard, not like an even ocean surf but like the broken tossing of a narrow sea.

(*f*) The Realignment of the European Currencies

Here and there the rising tide spent its effort against the groins and breakwaters erected by dictatorships and by the concentration of economic effort on the means of war. The devaluation of the gold bloc currencies created special difficulties for the Italian dictatorship. In August 1926, in a famous speech at Pesaro, Signor Mussolini had pledged himself to defend the value of the lira at all costs, and had ordered his words to be graven in stone. The difficulties of maintaining an over-valued currency led in 1934 to the establishment of an official monopoly of exchange transactions and other measures that in effect withdrew Italy from the gold bloc; a substantial discount on the lira thereupon appeared in free markets.[1] On the 2nd July, 1935, as the plans for launching the Abyssinian campaign reached their final stage, the law fixing the Bank of Italy's gold reserve at forty per cent. of the note issue was suspended, and in that month the discount on the forward lira rose to the equivalent of over thirty per cent. per annum—a sounder index, it was suggested in the *Survey for 1935*,[2] of the true economic value of the currency than the spot rate, which was being pegged at about ninety per cent. of the gold parity. The revaluation of the French franc and other competing currencies, however, required an even more decisive breach of the Pesaro pledge. By a Royal decree-law of the 5th October, 1936,[3]

> in consideration of the urgent necessity of regulating the intrinsic value of the Italian currency by adjusting it more closely to economic relationships and to the value of the most important and widely used currencies in circulation in the principal world markets,

the gold content of the lira was reduced from 7·919 grammes to 4·677 grammes of fine gold per 100 lire. It was provided, in addition, that by Royal decree the value of the lira might be reduced by a further proportion of ten per cent. The Bank of Italy was authorized to revalue on the new basis its reserves of gold and foreign exchange, the increment being credited to the state.[4]

[1] See the *Survey for 1934*, pp. 34–6. [2] Vol. ii, p. 420.

[3] Translations of the decree-law, and of the French and Swiss legislation for the devaluation of currencies, are to be found in the *Federal Reserve Bulletin* for November 1936; and a translation of the Netherlands legislation in the *Federal Reserve Bulletin* for December 1936.

[4] No returns of the Bank of Italy were issued after the 20th October, 1935, but in March 1937 it was announced that the Bank's reserve of gold amounted on the 20th February to 3,959,000,000 lire. This was, on paper, a distinct

Authority was given to suspend by decree the decree-laws of the 29th September, 1931, and later dates relating to the control of capital and foreign exchanges. 'Not devaluation, but equalization' was the phrase used by Signor Virginio Gayda to describe this sensible erasure of the unfortunate Pesaro pledge. The lira, it was claimed, was merely being brought back to the international level that it had maintained from its stabilization in 1927 until the devaluation of the pound sterling in 1931. It was indeed being reduced, not to a franc basis, but to a sterling basis. The devaluation by approximately forty per cent. undercut the gold bloc devaluation by some ten per cent. and, in addition, 'transit lire' were made available at specially cheap exchange rates (100 to the pound) for all expenses of travel or visit in Italy. 'There is no need', boasted Signor Gayda, 'for a special stabilization fund, with foreign contributions, as in France. No special defensive measures are required.' Import duties were simultaneously reduced on a wide range of commodities. The ban on dividends of joint-stock companies exceeding six per cent.[1] was withdrawn, but was replaced by a special graduated tax, not applicable to colonial enterprises. A forced loan was raised on land and house property, owners of such real estate being obliged to contribute five per cent. of its value. The prices of primary necessities were fixed at their existing level for two years.

The devaluation of the franc resulted in a further reduction of the gold-content of the Czech crown. In February 1934 Czechoslovakia had devalued her currency by 16⅔ per cent.,[2] and had thereby secured a considerable improvement in external trade, especially with Great Britain and other countries of the sterling bloc.[3] But many people

improvement on the last published figure of 3,027,000,000 lire at the 31st December, 1935, and was even slightly higher than the gold reserve of 3,936,000,000 disclosed at the 20th October, 1935. At the old valuation, however, the gold reserve in February 1937 amounted to no more than 2,338,000,000 lire. Hence the actual loss of gold in the sixteen months interval had been nearly 1,600,000,000 lire, worth about £29,000,000 at the current rate of exchange.

[1] See the *Survey for 1935*, vol. ii, p. 421.

[2] See the *Survey for 1934*, p. 91. There is a typographical error on that page, February 1935 being a misprint for February 1934, as the context shows.

[3] The following table shows Czechoslovakia's external trade in millions of crowns:

	1933	*1934*	*1935*	*1936*
Exports . .	5,853	7,289	7,416	8,012
Imports . .	6,125	6,400	6,731	7,903
Total . .	11,978	13,689	14,147	15,915
Balance . .	−272	+889	+686	+109

held at the time that, having regard to the much greater depreciation of the pound and the dollar, the devaluation had not been large enough, and there arose a strong political agitation for a further cut in the value of the crown. The Prime Minister's own group, the Agrarian Party, was particularly susceptible to this agitation, but it also affected the clerical People's Party and the Social Democrats. Although there was no financial reason for further devaluation—the currency being amply covered and the Budget being balanced—Czechoslovakia was feeling with growing acuteness the ability of some of her competitors to undercut her in external markets. She suffered particularly from the artificial stimulation of German exports through the use of blocked marks and the payment of export bounties. A fortnight after the French devaluation, it was decided to reduce the gold content of the crown once more, the new range within which it would be allowed to settle being 30·21 to 32·21 milligrams. These limits represented a total depreciation of 28·6 to 32·2 per cent. from the gold value ruling before February 1934. Monsieur Hodža declared to the Budget Committee of the Chamber that Czechoslovakia was ready to collaborate with the Western Powers in monetary policy, and that the new devaluation would be accompanied by the reduction of obstacles to international trade.

Immediately after the fall of the franc, Greece, Latvia, and Turkey decided to join the sterling bloc by linking their currencies with the pound. The drachma and Turkish piastre had previously been linked to the franc. The lat was restored to the exchange-rate on sterling that had ruled before the latter left gold in 1931. It was announced in Vienna on the 6th October that the price of gold in Austrian currency would thenceforward be based, not only on the gold buying price of the Bank of France, but also on the prices ruling in various markets. This was generally interpreted as replacing the franc by sterling as the international standard of measurement and stability for the already depreciated schilling. Owing, however, to Austria's position as an importing country and her small capital, devaluation could only have disastrous results, so the Finance Minister and the President of the National Bank explained. As an alternative, the Government would consider assisting exporters in competing with their rivals from countries with depreciated currencies. Speaking in Parliament on the 11th February, 1937, the Finance Minister declared that the economic situation in Austria was thoroughly favourable and was improving. Exports had risen, and the method of compensating exporters for losses due to devaluation in other countries had worked so well that exports even to such countries

had improved. 'The Federal Government and the National Bank', added Dr. Neumayer, 'will never shrink by a hair's breath from their declared intention not to touch the value of the schilling.' Poland, who had forsaken the international gold standard at the end of April 1936, and had followed this up by suspension of the service on her external debt,[1] preferred to continue the artificial defence of her currency rather than devalue it and return to freedom of exchanges. Hungary, Lithuania, and Albania refused to participate in devaluation, and officially Jugoslavia joined in this refusal, but after the depreciation of the franc the dinar lost some 20 per cent. of its value on the unofficial exchange. On the 20th December, at the close of a conference held in Athens, the central bank governors of the countries of the Balkan Entente—Greece, Jugoslavia, Rumania and Turkey—issued the following statement defining their attitude towards the three-Power currency declaration.

> Considering that the present monetary understanding binding France, England, and the U.S.A., to which certain other countries have adhered, constitutes an important step towards clearing up the international monetary situation, and regretting their inability to adhere to it for the moment, the Governors expressed their wish that the currencies of the principal Powers be stabilized on a definite basis in the near future in order that other countries, and particularly those of the Balkan Entente, may also join in the work of improving the world monetary situation.
>
> The Governors referred to the difficulties which the great drop in the price of principal export products succeeding on the revaluation of gold have had on their respective national economies. They recorded that the monetary alignments effected by certain countries ought to be followed by measures bringing an easier situation and a steady return to freedom of exchanges. They recognized the necessity above all that countries which had effected monetary alignments should lessen, and, as much as possible, abandon altogether the system of restrictions, and renounce progressively their clearing agreements, or at least make them less rigid.
>
> They considered it desirable that some agreement should be reached over external debts. This, they considered, would also bring about a revision in the regulations regarding the gold clause.
>
> The four central banks have each decided to organize departments for special study of the economic and financial situation of the countries of the Balkan Entente, and all possible methods of developing the economic relations of the four countries.

[1] See the *Survey for 1935*, vol. i, p. 395. Service was maintained on sterling loans, by reason of Poland's favourable balance of trade with the United Kingdom; but on the 4th March, 1937, the Polish Government announced their inability to transfer the full interest of the seven per cent. sterling stabilization loan of 1927 after the following April. For later coupons it offered the alternative of cash at 35 per cent. of their face value, or 20-year funding bonds bearing three per cent. interest.

The devaluation of the franc gave rise to strong rumours that the reichsmark would follow it. German industrialists were said to be in favour of such a course, and an anticipatory boom started on the Berlin stock exchange. Dr. Schacht, however, decided otherwise. In part, no doubt, it was a question of prestige; Germany's mood of defiance made it difficult for her to follow, as if obediently, a move by the three great Western democracies concerning which she had not been consulted. Dr. Schacht, moreover, had consistently opposed devaluation on a number of economic grounds; he held that Germany would have to pay more for the raw materials which she needed, that the service of her external debt would become more burdensome, and that the barriers confronting her goods abroad would prevent her from securing compensatory advantages in export trade. These views he expressed in an address to the Central Committee of the Reichsbank on the 30th September. Germany, he said, would not add still another uncertain element to the uncertainty in international trade resulting from the devaluation measures. They saw in stable conditions an essential foundation for international trade. They desired, not only that foreign countries should understand this, but also that the German investor and worker should be able to rely on the National-Socialist Government's intention to maintain fully his purchasing power and the fruits of his labour.

> The heavy burden of debt resulting from the injustices of Versailles and the difficulty of obtaining supplies of raw materials force us to maintain this system. Only an amelioration of these things will make foreign currency control superfluous. Not only the economic welfare of Germany, but also that of all other countries which have interests in a strong purchasing market of 70,000,000 people, depends on a solution of this question.
>
> We are fully conscious that the present international currency situation imposes heavy sacrifices on us, but no pressure will make the Government do anything which is directed against the interests of its own people and country. On the other hand, the Reich Government is prepared at any moment to participate in useful international negotiations which, while naturally maintaining national interests in accordance with the three-Power declaration, aim at a free international economic and payment traffic.
>
> Should the action of the three Powers result in such a possibility, we should welcome it and be ready to re-examine our position. Meantime, we can and will watch the developments with all calm and freely make our decisions at all times.

In sum, the three-Power declaration, while bringing the currencies of the gold bloc, the sterling bloc, and the dollar bloc more closely into line with each other on the basis of purchasing power, and while

relaxing in some measure the rigidities with which the lira was defended, did little immediately to break down the barricades that hemmed in most of the currencies of Central and Eastern Europe. That stage in the advance towards freedom of exchanges, both monetary and commercial, lay with the future.

(*g*) Exchanges after the Realignment

Immediately upon the announcement of the three-Power agreement the stock exchanges and financial markets were closed in France, and in London and New York dealings in French and Swiss and Netherlands currencies were suspended. Other financial markets in those centres were active, however, and the first reactions were a swift rise in the sterling price of gold and a depression of the pound against the dollar. These two movements were obviously linked with each other, and were founded upon two assumptions: first, that, quite apart from its effect upon competition in trade, the devaluation of the franc would induce a return of refugee capital from London to Paris; and, secondly, that partly for that reason the gold bloc currencies would not fall as far against the pound as they would against gold. The rise of the dollar in terms of sterling was also due in some measure to the check imposed on American purchases of French gold, which had persistently depressed the dollar against the pound; now that the gold standard was suspended in France, the pound and the dollar could find a more natural relation to each other. In the dollar-franc-sterling triangle, the only fixed point of attachment to gold was now the American Treasury's buying price of $35 an ounce; about this pivot the relative values of both the franc and the pound could move with a certain freedom. The depreciation of the pound from an average of $5·036 in September to an average of $4·898 in October was therefore a sign of relaxation of a previous strain.

On the 29th September dealings in guilders and Swiss francs were resumed in London. The closing rates on that day (8·86 guilders to the £, and 21·46 Swiss francs to the £) indicated margins of depreciation amounting to 17½ per cent. and 29½ per cent. respectively. The following day the Bank of England offered to sell French francs at 96 to the £ for the benefit of operators requiring francs urgently, but on the 2nd October, when the Paris bourse reopened and free dealings in francs were resumed, the London 'control'—the name colloquially given to the Exchange Equalization Account—offered francs at 103 and found the market unexpectedly selling French currency. The rate fell to 105¾—equivalent to a depreciation of

29¾ per cent. against gold—before the decline was checked by the 'control'. A few days later the pressure was reversed, as capital began to flow back to the Continent; and, since the French authorities pegged the rate on the dollar at the equivalent of a 29¾ per cent. devaluation, this movement against the pound automatically caused the dollar to rise in London. A week after the resumption of dealings in the franc, the Bank of France return showed an increase of 7,250,000,000 francs in the gold reserve (about £70,000,000 on the new basis), apart from the profits of revaluation. The discount rate was lowered from 3 to 2½ per cent., and on the 16th October to 2 per cent. The second week of the 'Blum' franc had produced an increase of 5,000,000,000 francs—£47,500,000—in the gold reserve; the bulk of this had been derived, not from imports of metal, but from releases of gold held under earmark by the British and American exchange authorities.

Meanwhile the three-Power agreement had been strengthened on its technical side. On the 13th October the United States Secretary of the Treasury announced that the American authorities would sell gold for export to, or earmark gold for the account of, 'the exchange equalization or stabilization funds of those countries whose funds likewise are offering to sell gold to the United States, provided such offerings of gold are at such rates and upon such terms and conditions as the Secretary of State may deem most advantageous to the public interest'. Great Britain and France were forthwith named as complying with this condition. On the 24th November a supplementary statement authorized the sale or earmarking of gold on similar terms for Treasuries or Government fiscal agents, and Belgium, the Netherlands, and Switzerland were added to the list of beneficiary countries. Previously the Treasury had undertaken to sell gold for export only to countries maintaining an open gold standard. A similar understanding was reached between Great Britain and France. The Secretary of the Treasury, Mr. Morgenthau, described the system as 'a new type of gold standard' and as 'one more move towards our general objective—the restoration of world trade'. It was greeted with favour in financial circles, which regarded it, however, as a purely technical arrangement, and repudiated Mr. Morgenthau's hyperbole.

A new type of international monetary mechanism had certainly been set up, but not a new type of gold standard. The mechanism might perhaps be described as a stabilization of instabilities. It is the custom in some parts of the world for women carrying water from the well to float in each bucket a cross-piece of wood to prevent

the contents from slopping over. That might serve as a simile for the superposition of international co-operation upon a series of independent monetary policies whose aims were defined only in general terms relating to national needs. Beyond doubt it had been necessary to find some such device; for the competition of these vast exchange control funds might otherwise have caused a disastrous slopping-over of the excessive and speculative fluidity of the international exchanges. While the co-operation embodied in the declaration of the 26th September, and in the supplementary understanding on gold, did not alter the aims of national monetary policies, it prevented them from becoming dangerously competitive and jealous, and set up a technical collaboration capable of maturing gradually into a more permanent international system, and of being applied—as 1937 was to show—to occasions when currency ratios might have to be readjusted once again.

Moreover, it altered the function of gold in the international monetary system, or rather it ratified an alteration that had been proceeding by stages ever since the breakdown of the gold standard in Great Britain in 1931. The function of gold as an internal standard of value now almost disappeared. Belgium alone of the Western countries retained an open, two-way market for gold in exchange for currency; the fixed price of $35 an ounce maintained by the American Treasury was a buying price only, as far as the public was concerned—and, what was more, holders of gold in the United States were compelled willy-nilly to sell at that price. The rôle of gold was reduced to official international transactions, designed, not for maintaining fixity of exchanges, but for rectifying temporary or permanent deficits in balances of payments. Deploring the 'fresh decline in the vigour and activity of the free gold market in London', a leading firm of London bullion brokers wrote in its review of the market in 1936:

> Gold movements have practically ceased to be a function of private arbitrage and are now merely complementary to the alterations in exchange rates which the various funds allow. This is the main positive result of the agreement.
>
> With the exception of Belgium there is now no country in the World which will surrender gold to the private arbitrageur even for shipment to some other Central Bank. Relatively very few will even accept it without the completion of endless formalities. . . . It is a tribute to the vitality and efficiency remaining to the London market that, despite these handicaps, so considerable a portion of the World's business should still pass through it.

The new system was placed under strain early in its career; for the

expected return of refugee capital to France did not occur on a sufficient scale to secure the 'Blum' franc against the weakness that attacked it from time to time. The general political uneasiness of Europe was a constant 'bear point' for the franc, which fell to 106½ to the pound for a short time on the 23rd October. Further unsettlement was caused by the necessary repayment of the £40,000,000 loan made to the French Treasury by London bankers in the previous February and March,[1] nine months having been its longest permissible currency. Great secrecy had surrounded the details of this transaction, but it was known that the Bank of France had furnished the francs to the French Treasury, and had put up the necessary collateral security in sterling or gold. Apparently this security either was in the form of gold under earmark in Paris, or was converted into that form when the franc was subjected to pressure between March and September; for when the credit came to be liquidated the Bank of France return showed a sudden drop of 4,000,000,000 francs in the gold reserve, just the sum required to repay the London creditors. The repayment was the signal for a striking monetary adjustment in Great Britain. On the 15th December the Bank of England purchased from the Exchange Equalization Account £65,000,000 in gold, and on the same day the Chancellor of the Exchequer announced that the fiduciary issue (that part of the issue of currency not covered by metallic reserves) would be reduced from £260,000,000[2] to £200,000,000. Mr. Chamberlain explained that this action had been taken at the request of the Bank, because, by itself, the increase of the gold reserve would have meant a very sharp expansion of the credit base, for which there was no justification. He added that there was no greater permanence in the arrangement than might seem desirable to the authorities; to some observers, however, it suggested a decision to regard the inflow of gold as a permanent acquisition, and in the event of a future outflow on a similar scale to offset it partly by allowing sterling to fall in exchange value as well as by selling gold. The chief significance of the adjustment undoubtedly lay in the disclosure that the Exchange Equalization Account was over-supplied with gold, and in that measure under-supplied with sterling. Net imports of gold into the United Kingdom in the twelve months ended November had exceeded £220,000,000, and more was flowing in as the French credit was repaid.

[1] See the *Survey for 1935*, vol. i, pp. 391–2.

[2] It had stood at this figure from the amalgamation of the note issue in 1928 until 1931, and from 1933 onwards. In 1931 it had been raised to £275,000,000 in order to offset the rapid outflow of gold.

This figure gave some indication of the rate at which refugee money had poured into London. It must, however, be considerably augmented to give the true rate, since the inflow of short-term capital was balanced not only by imports of gold but partly also by a deficit—estimated at £19,000,000 in the year 1936—on the international balance of current payments and by a simultaneous outflow of funds for investment in American markets. From the beginning of January 1935 until the end of December 1936, imports of capital into the United States from the United Kingdom totalled $829,000,000, including $342,000,000 of banking funds, $368,000,000 for the purchase of American domestic securities, and $116,000,000 for foreign securities. In this period the United Kingdom supplied 31·4 per cent. of the imports of foreign capital into the United States, which totalled $2,607,000,000 net. Continental Europe was responsible for $1,222,000,000, and the rest of the world—chiefly Canada, Latin America, and the Far East—for about $555,000,000.[1] This gigantic migration of capital was financed, in the mass, by the movement of gold. In the same period of two years the net import of gold into the United States totalled $2,856,000,000—an almost exact balance to the imports of capital. Just as the bulk of this gold

[1] The following table shows the movement in detail. (Source: *Federal Reserve Bulletin, May 1937*).

NET CAPITAL MOVEMENT TO THE UNITED STATES
Two years ended the 31st December, 1936
(in millions of dollars)

From	*United Kingdom.*	*France.*	*Netherlands.*	*Switzerland.*	*Rest of Europe.*	*Canada.*	*Latin America.*	*Far East.*	*Total.*
Banking Funds	341	206	63	112	209	124	173	121	1,360
Brokerage Balances	4	10	−1	9	1	−8	−4	2	13
American Securities	368	65	158	200	27	33	15	44	917
Foreign Securities	116	18	10	14	120	2	16	17	316
Total	829	299	230	335	357	151	200	184	2,607

Certain features of this table are worth special note. The purchase of foreign securities by the 'rest of Europe'—chiefly Germany—represents in the main the repurchase of the bonds of the investing country itself or of its nationals. The contrast between the proportion of banking funds to long-term securities for France on the one hand and the Netherlands and Switzerland on the other is a sign of the refugee character of the French investment.

came from France, so the bulk of the European capital came indirectly from France; for had it not been for the simultaneous inflow of money from France (and to a lesser extent from other countries of the gold bloc), the British capital market would have been hard put to it to find and transfer the funds that it was pouring into America.

With this speculative investment movement added to the precautionary withdrawal of refugee funds, the strain on the franc continued with little relief. The Government renewed their efforts to secure a return of French capital. Hoarders or exporters of gold, who were to have been mulcted of profits from devaluation by being paid only the old rate for their gold, were offered, in lieu of cash, three-year bonds bearing 3½ per cent. interest, redeemable in three years' time, at 140 per cent. On the same day as this concession was announced (the 16th December), holders of 'baby bonds' were offered the right of conversion into nine-year 4 per cent. bonds, also redeemable at 140 per cent. This generosity was held necessary because investors (among whom were many small savers and trade unions) had been persuaded to lend their money to the Government on the assurance that the Poincaré franc would be maintained. In the Chamber debate of the 17th December on the Budget for 1937 (which showed a deficit of 4,572,000,000 francs on a total expenditure of 48,257,000,000 francs) the Minister of Finance sought further to reassure investors by denying with much emphasis that there would be any further devaluation. On the 5th January an amnesty from penalty was extended to those who had failed to declare their holdings of gold or foreign currencies under the devaluation laws, but who subscribed before the 31st January to the 3½ per cent. bonds redeemable at 140 per cent. at the end of three years. The rate of interest on National Defence Bonds was simultaneously raised from 3 to 4 per cent.

All through January and February Monsieur Auriol's repeated assurances against further devaluation,[1] and the temptations—

[1] e.g. on the 20th January, and again on the 27th January, when he declared, in an interview with Havas:

> Those who are thirsting for profits will not impose their will on us. The Government is resolved to avoid any disturbance whatever of the actual relations established between the currencies. It is in nobody's interest to return to monetary disorder, either in France or in any other country. It is in everybody's interest to have stability. We are working for it with all our strength. I know that the other signatories to the monetary agreement are equally devoted to that object.

Monsieur Auriol renewed his assurances against devaluation on the 3rd February

extended once more—to investors to bring back their capital to France, waged a rearguard campaign against the rumours that a renewed depreciation of the franc could not be avoided, at least to the maximum limit authorized by the law of the 2nd October. On the 28th January the discount rate of the Bank of France was raised from 2 per cent. to 4 per cent., but even this show of determination to defend the franc by orthodox methods did not check the pressure. On the following day negotiations were concluded with a British banking syndicate for an advance of £40,000,000 to the French state railways. The loan was to be for ten months, was to carry interest at 3½ per cent., and was secured—so it was reported—on gold. The direct effect of such a transaction would be, of course, to strengthen the franc against sterling for the time being, but the relatively onerous terms, the smallness of the amount compared with the market's expectations, and the fact that such an advance was required at all so soon after devaluation had replenished the French Treasury's resources, caused a renewal of the depression about the future of the franc. The depression was intensified by the publication of the return of the Bank of France for the week ended the 28th January, which revealed that the Bank had lost 3,000,000,000 francs of gold. The interpretation reasonably adopted by the market was that the 10,000,000,000 francs with which the exchange stabilization fund had been credited were already exhausted. In the eight weeks ended the 18th March imports of gold from France into the United Kingdom alone totalled £47,000,000, against a contrary movement of only £2,000,000. The greater part of this transfer, presumably, was required to furnish the security for the railway loan.

Already, however, there were signs of a turn of the tide. Investors were reassured by a change in the emphasis of French Government policy. Addressing the National Council of the Socialist Party on the 14th February, Monsieur Blum declared that they were obliged to act with prudence and to go forward step by step. The necessity for a pause had shown itself. This statement he elaborated in the Chamber on the 26th, replying to a vigorous attack on his economic and financial policy by Monsieur Flandin.

before the Finance Commission of the Chamber, and on the 6th February before the Chamber. On the latter occasion he said:

> France will consolidate the happy agreement between the three great democracies and will not walk alone. We are grateful to the two countries who collaborate with us unceasingly.

A few days later he told the Senate that 'to unpeg the exchanges would be a breach of the monetary agreement, which, on the contrary, we must seek to extend'.

> We are of the opinion [he said] that there is reason to introduce measures of caution and soft-pedalling in our programme. It is always worth while to take a second breath.
>
> The lengthy economic crisis has caused a certain amount of demoralization. France is living in a state of closed economy, almost autarky.
>
> To attain normal prices we must balance supply and demand, wages and prices. Everything will be useless if the national economy receives fresh shocks. Therefore we pause. Maybe there are contradictions. Everything is contrary at the moment.
>
> When we have derived benefit from the pause, we will start on the People's Front programme again. Nothing will be submitted to the Chamber unless agreed upon by all the parties in the People's Front.

What that highest common factor might be was not clear. The Government, said Monsieur Blum, would seek a vote upon a national unemployment insurance scheme. The leaders of the Communist Party and the Confédération Générale du Travail were demanding the socialization of the banks, insurance and big industries.[1] On the other hand, Monsieur Campinchi, the parliamentary leader of the Radical Socialists, said in the Chamber debate: 'The middle classes are rather anxious. Much has been done for the workers; do not forget the others.'

The 'pause' received positive expression in a new financial policy announced after a Cabinet meeting on the 5th March. The policy had six main points. First, the three-Power declaration was reaffirmed as the basis of France's monetary policy. This precluded any scheme for exchange restriction. Secondly, the Bank of France would buy gold at the open market price without reference to the seller's identity, and the importation, export and buying and selling of gold would be freed from restraint. The penalization of speculators in gold and foreign exchange was thus abandoned. The Bank of France opened its counters for the unrestricted purchase of gold on the 8th March, fixing the rate, after some fluctuation, at 24,509 francs per kilogram. This was equivalent to about 45 milligrammes to the franc, the mid-point of the limits fixed by the Devaluation Law. Until the 5th March the exchange value of the franc had been maintained at the equivalent of 46 milligrammes. The relaxation of official support caused a sharp decline in the rates on London and New York, and at one moment on the 6th the franc slumped to 108¼ to the pound. Afterwards it settled between 106 and 107 to the pound. This change in the manner of regulating the exchanges was associated with the third point in the new financial programme, namely, the appoint-

[1] See speeches delivered by Monsieur Thorez and Monsieur Jouhaux on the 21st February, 1937.

ment of a committee of experts to manage the Exchange Equalization Fund. The committee, which was to have regard to the needs of commerce, of price stability, and of the government bond market, was to be composed of Monsieur Charles Rist, Monsieur Paul Baudouin, Monsieur Charles Rueff, and Monsieur Labeyrie, the Governor of the Bank of France.

Fourthly, any governmental expenditure beyond the credits voted in the Budget was to be prohibited, except so far as was necessary to readjust the salaries of the lower grades of civil servants. Fifthly, Treasury requirements from the lending market were to be limited to 8,000,000,000 francs during the remainder of the financial year. Broadcasting on the 6th March, Monsieur Blum said that of the gross requirement of 36,000,000,000 francs (not counting the British bankers' loan) 8,000,000,000 francs had been paid off since the beginning of 1937. The Government believed that they could effect economies of 6,000,000,000 francs, and a further reduction was possible through a cut in the deficit on the state railways.

Sixthly, and perhaps most important of all, a national defence loan was to be issued forthwith and was to be the only long-term public issue for the Treasury in the current year. Subscribers were to be guaranteed repayment in dollars sterling or francs, at their own option. The issue of the loan had to be postponed for a few days, as it was found to require statutory sanction. The necessary measure, as amended by the Senate, was passed by the Chamber on the 10th March by 474 votes to 39. Apart from authorizing the issue of a loan with an exchange guarantee or option, it abrogated four clauses of the Devaluation Law restricting dealings in gold or its export or import, and applying penalties for non-disclosure of gold holdings. The Bill further provided for compensation to those who had already surrendered their gold at the old rate, authorizing the Bank of France to pay the difference between the amount paid and the average prices for gold fixed by the Bank on the first three days of the new monetary régime. The penal clauses of the Devaluation Law thus never went into practical effect. The Senate inserted in the Defence Loan Bill a proviso that the loan should not exceed the amount of the extraordinary armament expenditure contained in the Budget—10,500,000,000 francs.

The first instalment of the loan was issued on the 12th March. It consisted of 5,000,000,000 francs in 4½ per cent. bonds, redeemable within 60 years, which were offered at a price of 98 per cent. Interest and capital were to be payable either in French francs in France or in Swiss francs by the Bank for International Settlements through

appointed agents. The intention of paying interest and redeeming capital in sterling and dollars was abandoned—apparently at the instance of the British and American authorities, who did not want their own capital markets congested with the loan. The United States Treasury was also anxious to avoid any charge of complicity in evasion of the Johnson Act, which forbade American lending to countries in default on their obligations to the United States; it was stated by Congressional leaders, after a conference with Mr. Morgenthau on the 8th March, that the Treasury had refused its approval to a French suggestion that an American bank should act as agent for the sale of the bonds. However, the link with the pound and the dollar was preserved by quoting the values of the coupons for interest and the scrip for the capital in terms of those currencies, as well as francs, and by providing that, in the event of any depreciation of the franc against sterling or dollars, bondholders might cash their coupons in French or Swiss francs at the current rates of exchange on London or New York. The sterling and dollar designations were on a scale equivalent to exchange rates of 106·96 francs to the pound and 21·901 francs to the dollar, giving a cross-rate of $4·884 to the pound.

The loan was an instant success, being heavily over-subscribed on the day of issue, and was followed by a second instalment of 3,000,000,000 francs, issued on the 16th March. This was also immediately subscribed, though there was evidence that the loan was not digested as rapidly as it was swallowed. Apart from the money that returned to France for the specific purpose of subscribing to so attractive a security, the success of the loan had a reassuring psychological effect, and for some time the exchanges were much more favourable to the franc.

Partly by reason of the disturbance of international politics, the favourable interval did not last long. Nevertheless, it was a moment to take stock of the effect of devaluation on the French economy. Until the 'pause' and the issue of the defence loan, its financial outcome had been disappointing. More gold had been lost, instead of recovered, and the Government's worst enemy was still their need to borrow in order to pay their way from month to month. On the other hand, bank rate was down and the price of money easier. Unemployment was down by 17 per cent. compared with the same period of 1936, and industrial production had risen by 9 per cent. since September. The critical factor was perhaps the movement of prices. In six months the wholesale price index had risen by 31 per cent., thus completely counteracting the depreciation of the franc; while the rise

of 10 per cent. in the cost of living had eaten up a good proportion of the higher wages, which had themselves done much to raise the wholesale price level. Nevertheless, the greater rise in wholesale than in retail prices spelt larger profits as well as a higher standard of life. The balance of external trade had moved sharply against France; the excess of imports in March 1937 was 1,490,000,000 francs, against 672,000,000 francs in September, and 711,000,000 francs in the previous March. This, of course, took no account of the improved receipts from the tourist trade. By itself, it was one more piece of evidence for the fact that the advantages of relief from currency over-valuation lay less in the rectifying of adverse balances of trade than in the ending of deflationary strains upon the internal commercial and credit system.

(*h*) The Consequences of Devaluation

After the devaluation the kaleidoscope of currency exchanges resolved itself into a new pattern, more closely comparable with the pattern before the depreciation of the pound in 1931 than with anything that had intervened. The dollar moved to a position a few points away from its old parity with sterling, the lira closer still. The currencies of the former gold bloc sank to within a margin of 26 per cent. (the guilder) to 14½ per cent. (the French franc) of their former sterling parities. These margins roughly represented the degrees to which those countries had been able to push deflation during the period of four to five and a half years in which Great Britain and the United States had been relieved of purely monetary compulsion to follow the same course. The Scandinavian members of the sterling bloc, on the other hand, had pegged their currencies at levels lower by 6½ to 18 per cent. than their old rates on London. The yen, the peso and other extra-European currencies were even further depreciated. The barricaded currencies of Central and Eastern Europe still maintained officially their former relation to gold, but the discount of over 50 per cent. on registered marks was a typical index of the level to which they might be expected to fall (for purely commercial reasons) if the barricades were taken down. Had that actually occurred, of course, a far more severe depreciation might have been expected by reason of the exodus of capital which the countries concerned—particularly Germany—had cause to fear. The following table shows the rates of exchange of various currencies on London on various dates: before the franc was devalued; on the earliest date on which all the gold currencies, including the lira, were again quoted in London; and six months after devaluation.

LONDON RATES OF EXCHANGE

(*Spot rates: mid-point of day's range*)

London on:	*Usance*	*Pre-1931 Parity*	*24th Sept., 1936*	*6th Oct., 1936*	*27th Mar., 1937*
New York	$ to £	4·86⅜	5·06¼	4·90$\frac{15}{16}$	4·88⅝
Paris	Fr. to £	124·21	76$\frac{29}{32}$	105$\frac{3}{32}$	106⅜
Brussels	Belgas to £	35·00	29·97	29·19	29·01
Milan	Lire to £	92·46	64$\frac{7}{16}$	93⅛	92$\frac{25}{32}$
Zurich	Fr. to £	25·22½	15·56	21·33	21·44½
Amsterdam	Fl. to £	12·107	7·49	9·29	8·92½
Berlin	Rm. to £	20·43	12·60	12·22	12·14
Registered marks	% disct.	..	44½	46½	51½
Vienna	Sch. to £	34·58½	26⅞	26½	26
Oslo	Kr. to £	18·159	19·90	19·90	19·90
Stockholm	Kr. to £	18·159	19·40	19·40	19·40
Kobe	d. per yen	24·58	14$\frac{1}{32}$	14$\frac{1}{32}$	14
Buenos Aires	$ to £	11·45	17·77½	17·55	16·24½

The new rates were undoubtedly more natural—that is to say, they accorded more clearly with relative purchasing power—than those in force before the 26th September. In this fact lay perhaps the principal direct benefit of the realignment to world commerce. Traders and investors could lay their plans, not indeed with assurance that exchange rates would remain as constant as in the old gold-standard days, but without the fear that at any moment violent changes through revaluation or uncontrolled collapse might upset their calculations and deprive them of profits. There was in consequence a tendency for idle money to move from exchange speculation into more permanent forms of investment, or into other kinds of speculation, such as buying on margins on the stock exchanges of New York and other centres.

The purpose of the three-Power declaration, however, had not been achieved with this negative correction of monetary disorder. An essential clause in it had been the statement that the success of the monetary policy was linked with the development of international trade, and that the signatory Governments attached the greatest importance to the taking of action without delay 'to relax progressively the present system of quotas and exchange controls with a view to their abolition.'[1]

In many ways the advance made in this direction was disappointing. Both Italy[2] and France, it is true, took the opportunity of the cheapening of their currencies to relax tariffs and quotas. On the

[1] See above, p. 176.

[2] See above, p. 184.

5th October, 1936, the French Government issued a series of decrees reducing by 25 per cent. the general rates of import duty on goods subject to quotas, and by 15 to 20 per cent. those on imports not subject to such restrictions; abolishing 106 import quotas out of the 750 then in force; and setting up a Customs Commission whose purpose was to be 'to avoid any unjustified rise in prices by means of the introduction of greater quantities of competing foreign goods on the French market'. The Commission was empowered to recommend the lowering of import duties, taxes or licence fees, the relaxation of quotas and possibly their abolition. A further decree abolished the compensatory (or anti-exchange-dumping) duties applied to goods imported from or produced by Australia, Egypt, India, New Zealand, South Africa, Paraguay or Argentina. The maximum compensatory duty on goods from China or Japan would be 10 per cent. A Cabinet report to the President of the Republic expressed the hope that the lowering of tariffs would pave the way for the negotiation of fresh commercial treaties, to the advantage of the French exporter. In a public proclamation the Government declared that they had in their hands the means to prevent any undue increase in prices by lowering customs duties, and that they were already making the necessary adjustments. This minatory emphasis on the price-levelling purpose of the cuts in tariffs and expansion of quotas not unfairly indicated the limits of the immediate French contribution to freer trade. In essence it did little more than compensate for the increase in the prices of competing foreign goods through the cheapening of the franc. Nevertheless, its value was reflected in the great expansion of French imports, which rose from 1,862,000,000 francs in September 1936 to 3,319,000,000 francs in January 1937.

The disappointment lay rather in the quick dying-down of the ripples on the wider surface of world trade policies. An opportunity for furthering the general purpose of the three-Power declaration soon occurred, in the meeting of the League of Nations Assembly in October. The following resolution was submitted to the Second (Economic) Committee of the Assembly:

> The Assembly, noting with satisfaction the joint declaration issued by the Governments of France, the United States of America, and the United Kingdom of the 26th September, 1936, and the adhesion thereto immediately given by several states;
>
> Recognizing that this declaration harmonizes with the recommendations made by the Economic Committee of the League of Nations in its recent report on the present phase of economic relations;
>
> Considering that a concordant policy designed to re-establish a

durable equilibrium between the economies of the various countries, to lay more solid foundations for the stability of economic relations and to promote international trade would effectively contribute to the consolidation of peace, the restoration of international order and the growth of world prosperity and the improvement of the standard of living of the peoples;

Affirms the general desire of states members of the League to pursue the realization of these objects, and invites all states, whether members of the League or not, to co-operate fully to that end.

Urgently recommends the states concerned, as an essential condition of final success, to organize without any delay determined and continuous action to ensure the application of the policy indicated above, to reduce excessive obstacles to international trade and communications, and, in particular, to relax, and as soon as possible to abolish, the present system of quotas and exchange controls.

In the Second Committee debate at Geneva a number of important statements of policy were made. For the United Kingdom, Mr. W. S. Morrison endorsed the Financial Committee's assertion that the first objective must be to restore a situation in which the purchaser could buy what he wanted, the debtor could pay what he owed, and the tourist could go where he wished, without encountering impassable obstacles such as quotas and currency control. It was essential that each country should make its own contribution towards this end. The United Kingdom, having found that the proper adjustment of currency relations to the price structure had been accompanied by a great improvement in internal trade, saw no reason to doubt that similarly good results would follow from devaluation in the gold bloc. So far from causing the anticipated disturbance of international trade, the latest currency adjustment had been the occasion for 'an unexampled act of co-operation', as a result of which the change-over had taken place with complete smoothness. The action of the British Government on that occasion had been by no means easy, and would never have been taken had they been obliged to take account of particular interests at home. Monetary alignment was not an end in itself, but was merely the means to the freer exchange of real wealth. The British Government saw no reason why quotas should be maintained against countries with free exchanges if through currency realignment the reason for adopting the quota system had disappeared. The present situation seemed to offer a signal opportunity for clearing away obstacles to international trade. The British Government would continue, to the limit of their capacity, to carry out the non-exclusive trade policy which they had hitherto adopted. They would undoubtedly be faced by the strongest pressure, from particular interests at home, to take

measures to counteract the intensified competition that would result from the devaluation of other countries' currencies. The pressure might become irresistible if they could not show that the Governments of the devaluing countries were for their part withdrawing their exceptional restrictions. The best line of advance towards more general liberation of trade might be by way of bilateral negotiations on the basis of the most-favoured-nation clause, or possibly by other methods, though it must be admitted, said Mr. Morrison, that past experience of multilateral economic negotiations had not been encouraging.

Monsieur Bastid, the French Minister for Commerce, described the French tariff reductions as a purely unilateral gesture intended to mark the Government's desire to combat a rise in internal prices and to set an example of moderation. They were drawing up a new customs tariff based on the classification adopted by League experts, from which quotas were excluded. It plainly could not operate to the full unless it were accompanied by a general disappearance of the control exercised over commerce and foreign exchange. The gesture made by the gold countries would not have full effect unless all the nations followed this economic policy. The Netherlands representative said that his Government had taken the decision to devalue with great regret, and would be sorry if it proved impossible to secure an improvement of international trade. They themselves would be able to abandon quotas for those countries which had done something in this direction, but they must make a reservation concerning those that persisted in maintaining strict currency control. Monsieur Stucki, for Switzerland, announced that he had come to an agreement with the French Minister for National Economy for a Franco-Swiss trade convention. He added that he was prepared to enter into similar agreements with other countries, and that Switzerland would give tariff and quota relief to all who were prepared to extend equal treatment to Swiss exports, tourist traffic, and debts to Switzerland. The *rapporteur* of the Second Committee, in his report to the Assembly, declared that the freeing of trade was an indispensable corollary of the monetary adjustment, both on social and on economic grounds. Governments were therefore invited not to confine themselves to the first measures which they had taken in conjunction with their new monetary laws, but to enter into negotiations as early as possible with a view to overhauling their whole commercial policy.

A few days later, on the 19th October, the Council of the International Chamber of Commerce issued a declaration in favour of the

same general policy, but going farther both in its warning as to the alternative and in the specific nature of its recommendations.

> Not only is the time ripe for a progressive abolition of the numerous so-called emergency trade restrictions and increased customs tariffs imposed during the depression, but failure to carry through concerted action for this purpose will undermine the exchange stability aimed at by the signatories of the tripartite monetary agreement and will, as a further consequence, create the serious risk of a new series of currency depreciations, an intensification of economic warfare, and thus create a grave menace to the maintenance of peace.

The Council recommended the conclusion of multilateral agreements, open to all comers, stimulating international trade. Pending, however, the development of a situation favourable to negotiations, bilateral treaties should be concluded 'as an instrument for the demolition of trade barriers'. They should, for that reason, include the most-favoured-nation clause. The Council approved the general use of that clause in its unconditional form, with a possible exception towards countries that continued, even after the restoration of more orderly currency conditions, to practise discriminatory quotas or foreign exchange restrictions. An international centre should be established to compile indices for measuring the comparative incidence of protection in various countries, in order to encourage the reduction of excessive barriers to trade. Import quotas should be abolished, preferably by multilateral agreement, and commercial policy should be oriented towards the use of import quotas for purposes of temporary expediency only, thus encouraging the adoption of a time-limit for their removal. Exchange and clearing régimes should be progressively abolished, in the measure in which problems of international indebtedness might be solved, international lending resumed, and uncontrolled flights of capital restrained, for instance by means of standstill agreements. The Council favoured the conclusion of regional and restricted collective pacts in the economic field, provided that their purpose and results were the increase of trade and international appeasement.

The world, in short, did not want for fair resolutions in the currency New Year. In too great a degree, however, these suffered the traditional fate of good intentions. The story of international trade negotiations—including the revision of the Ottawa Agreements, the discussions of the Oslo Powers, the inquiry undertaken by Monsieur van Zeeland at the request of the French and British Governments in April 1937, and the effort to extend the trade treaty programme of the United States to the United Kingdom and

other countries, both within the British Commonwealth and elsewhere—belongs more properly to the history of 1937 than to that of 1936. The immediate effect of these negotiations upon the world's economic life was outweighed by more tangible developments which are dealt with in the next section.

(ii) The Rise in Prices and the Armaments Boom

(a) The Rise in Prices

The most outstanding general factor in international economic relations in 1936 was the rise of prices that gathered momentum in the middle months of the year and reached its peak in March and April 1937. In a little over six months the price of wheat rose from 85 cents to 134 cents in the Chicago pit. Copper prices rose by roughly 40 per cent. in the last nine months of 1936, and three months later were nearly half as high again. Tin rose from £256 to £300 a ton in a single fortnight of March 1937. These instances were exceptions, of course; the various composite indices of wholesale prices moved much less sharply. In the United States the annual average of wholesale prices rose by only one point between 1935 and 1936, from 80 to 81 per cent. of the 1926 average; even so, the trend in the latter half of 1936 was such that it carried the index to 87 for the first three months of 1937. A similar comparison for the United Kingdom shows a much steeper rise: the indices for the 1935 average, the 1936 average and the average of the first three months of 1937 were respectively 89, 94 and 105, on a base of 100 for 1930.

In France the movement was more spectacular. In January 1936 the wholesale price index (1913 = 100) stood at 359. After June, when it was still only 378, there began a steady increase which brought it to 420 in September. Then came devaluation, and by the January of the following year the index was 538. In France the direct effect of devaluation on the prices of imported commodities, and of others whose price was effectively determined on international markets, was reinforced by the increases of internal costs imposed by social legislation. An interesting comparison may therefore be made with the price movements in the Netherlands and in Switzerland. In the former country there was no substantial change in the monthly index before October, in the latter none before September 1936. Between September and the following March the Netherlands index rose by roughly 20 per cent., the Swiss index by somewhat less, whereas the French wholesale price index rose in the same period by

almost one-third, on top of a considerable rise in the summer months of 1936. One other comparison may be significant. In Germany the official index of wholesale prices did not move by more than a single point throughout 1936, and although the upward trend from year to year was continued there was no noticeable rising curve on the short-term scale until the last two months of 1936 and the first two of 1937.

After March 1937 there was a sharp recession of wholesale prices all over the world, which affected almost every commodity entering into international trade. The causes of this recession throw some light both on the causes and on the effects of the earlier advance. Undoubtedly a major influence was the pricking of a speculative bubble. At few if any earlier periods of international financial history had so large a volume of speculative capital been available for temporary investment in commodities and in shares whose value turned on commodity prices. The instability of exchanges, the discrediting of foreign bond investments, the anxieties of capitalists in face of such phenomena as President Roosevelt's New Deal or the programme of the Front Populaire in France, the overriding fear of war—these and other forces had brought into existence during the World Depression and the earlier stages of revival a huge volume of liquid capital capable of moving rapidly from one centre to another, and shunning permanent investment. A portion of this 'hot money' seeped into commodity markets in the period with which this chapter is concerned. It went there both for the sake of the speculative profits expected and as a convenient insurance against the injuries that might be done to capital in other directions by a price-inflation. Whatever the origin and character of the speculative influence in commodity markets, it exaggerated the sharpness of the price-movement, both in its upward and in its downward phases.

Moreover, it was characteristic of such a speculative boom that psychological factors were as powerful as material factors—perhaps more powerful—both in promoting and in ending it. Two important psychological factors intervened against a further rise in prices during the first half of 1937.

The second in point of time and the more prolonged in effect was the so-called gold-scare. The full story of this episode belongs to a later volume of the *Survey*, but it is necessary to mention it here as illustrating the weakness of the higher price-structure raised in earlier months. The scare owed its origin to the realization that the high price of gold, which had automatically followed devaluation, was encouraging a greatly enlarged output of the metal, and that all this new gold rapidly became buried in the vaults of one or two creditor

countries, at ever-mounting cost to their central banks and treasuries. Theoretically, this trouble could be overcome in either of two ways: through an increase of commodity prices and costs of production in proportion to the increase in the price of gold, or through a reduction of the price of gold towards the existing level of commodity prices. A reduction of the official price for gold in any country, however, would have been regarded as a signal that the authorities believed prices to have risen far enough, and therefore that the continuance of bull speculation was a mistake. Hence, in so far as it was a by-product of the gold-scare, the fall of prices in the early months of 1937 was due to the failure of prices to rise far enough in earlier periods.

The second adverse psychological factor was also associated with the suspicion that those holding financial and economic power believed prices to be already high enough or too high. On the 9th March, 1937, President Roosevelt warned the people of the United States, in a radio address, that an economic catastrophe comparable with that of 1929 threatened in the not distant future. This remark was incidental to a defence of a Bill to amend the constitution of the Supreme Court in order to make it less obstructive to social and economic reforms. Hence a cynical world might have discounted the President's warning as a piece of backcloth-painting for a political platform. Nevertheless, it had a certain effect upon financial sentiment, especially in stock markets. On the 2nd April the President reinforced it with a much more explicit statement. In one of his regular interviews with the press he spoke of the possible danger contained in the want of balance in the rapid advance of prices and production in 'durable goods' industries, compared with those in 'consumer goods' industries. This he attributed in some measure to the purchases of durable or capital goods made by the American Government themselves. He added that he had told members of Congress of his belief that the spending policy might with advantage be, and should be, changed. But foreign orders had also to be taken into account, and Mr. Roosevelt said that he understood that British purchases of steel had amounted in one month alone to between £8,000,000 and £10,000,000. The prices of steel and copper, he said, had advanced beyond any figure that could be justified by recent increases of wage rates. He did not suggest, however, that his Government could or should take action save by a shift of emphasis in the nature of their purchases from durable to consumer goods.

Although the President did not indicate precisely how even this palliative would be applied, and although there were no distinct signs that his belief had been translated into official practice, his statement

had a decisive psychological effect on American markets, and, by reaction, on markets in other centres. It was largely because the financial structures of commodity markets, strained as they had been by rapid speculative advances, had already been weakened by this blow that they suffered so severely from the impact of the British Budget, introduced on the 20th April. Neither in its original nor in its amended form was the National Defence Contribution directed against commodities; it was directed against all kinds of profits. But the recession that it caused on stock markets had a prompt reaction on commodity markets, partly because speculators caught in trouble in the one liquidated their commitments in the other, partly because the whole episode was taken by many people as a signal that the peak of the boom had been left behind.

Since the relation between the capital goods industries and the consumption goods industries was generally recognized as one of the keys to the economic cycle of boom and slump, it is worth while turning aside to examine President Roosevelt's allegation more closely. The figures did not bear him out with any decisiveness. Between March 1936 and March 1937 the index of factory employment in the United States had advanced in the durable goods industries from 80·1 to 95·9 per cent. of the 1923–5 average, and in the non-durable goods industries from 95·8 to 106·1 per cent. As far as those figures went, therefore, the tendency was merely for the former group to make up the start that it had given to the latter in the earlier phase of recovery. The industrial production figures did not tell quite the same story. In the same interval of twelve months, the index (on the same base) for raw mineral production[1] rose from 97 to 127, an advance of over 30 per cent., while the index for manufacturing production rose from 93 to 117, an advance of less than 26 per cent. Moreover, the iron and steel manufacturing industry advanced from 83 per cent. of 1923–5 activity to 127 per cent.—a proportionate rise of no less than 50 per cent. Yet there were also consumption goods industries that made a showing well beyond the average: cotton consumption rose by 36 per cent.; the manufacture of boots and shoes advanced from 118 to 148 per cent. of 1923–5 levels; while the cigarette industry, though receding somewhat in the early months of 1937, was still operating in March at well over twice the average pace of 1923–5. Thus as far as volume of production was concerned there was no decided evidence in favour of the view that capital goods industries had run far ahead of consumption goods industries in the United States.

[1] Covering coal and anthracite, petroleum, iron ore, zinc, lead and silver.

Nor was there much more evidence to support a similar view of affairs in the United Kingdom. In the year ended March 1937 the Board of Trade index of industrial production (1930 = 100) rose from 123·2 to 131·9, an advance of 7 per cent. In the same period the monthly output of pig-iron rose by about the same percentage, and the monthly output of steel by some 13 per cent. More significant, perhaps, was the fact that the steel output was over 38 per cent. higher than the average of 1929. The reference to steel, however, as the first of the capital goods industries might be misleading; for the output of automobiles, which provided a market for a great quantity of steel, was running at well over twice the height of the levels of 1929.

These British and American statistics may be usefully compared with those of two countries very differently placed, France and Germany. The total index of industrial production in France (1929 = 100) rose from 72·7 to 74·8 in the twelve months ended March 1937, an advance of less than 3 per cent. The output of steel, in the same period, rose by over 17 per cent., but was still only a small fraction above the average in 1931, in which year the British steel industry had touched the bottom of the slump. In Germany, on the other hand, the output of steel, though rising by only a very small fraction in those twelve months, was, as in Great Britain, well ahead of the monthly average of 1929. The German index of industrial production (1929 = 100) rose from 100 in March 1936 to 111·9 in March 1937. This movement was compounded of an advance from 103·5 to 113·3 in the 'investment goods' section and an advance from 76·1 to 101·4 in the 'consumption goods' section. Hence, even allowing for a considerable latitude in the interpretation of 'durable goods', 'capital goods', 'investment goods', 'consumers' goods' and so on, the statistics gave no emphatic support to the view that either in the United States or in the whole group of major industrial countries there had been a sudden or severe distortion in the direction of demand for 'durable' products.

What the proponents of this view had in mind, apparently, was the more rapid advance of wholesale than of retail prices, and the more rapid advance of wholesale prices in a certain group of commodities—headed by metals and comprising most industrial raw materials—than in others, chiefly foodstuffs and materials entering more or less immediately into private consumption. These divergences were an unmistakable fact which needed no elaborate evidence. Nor did it call for any special explanation; for it was but the natural reversal of the trend that had been so much deplored during the downward phases of the boom-slump cycle. It could be explained,

in short, by references to the nature of demand. Both volume of demand and prices payable tended naturally to be stable for elementary articles of consumption. For articles more of luxury than of necessity the volume of demand was much more flexible, though their prices fluctuated relatively slowly. For capital goods—whether industrial or governmental—the volume of demand was still more elastic. Moreover, the greater the intervention of labour costs and capital costs between the raw material stage and the consumption stage, the less important did the price of raw materials become in affecting the volume of demand. Hence the price of wheat could fluctuate with a far greater amplitude than the price of bread; the price of automobiles might even fall—owing to the economies of production on a larger scale—while the prices of steel and base metals and rubber and other raw material constituents were rising quite sharply.

These general considerations, the various statistics quoted and the contemporary warnings by statesmen and economists of the danger of a relapse like that of 1929 suggest a comparison between the price-levels of 1929 and those of 1936 and early 1937. To some minds, indeed, 1929 had become almost a fetish as the standard with which economic indices, especially those of prices, should be compared. The comparison is seriously complicated by the changes in currency ratios and the depreciation of many currencies against gold. One method of comparison would be to trace the curve of gold prices of commodities, that is to say their prices in terms of an actual or supposititious currency linked to gold at an invariable ratio throughout the period. This, however, would fail in the purpose of conveying the changed circumstances of producers and consumers, since the character of gold as a steady measure of value had been vitiated by the deliberate manipulation of its price as expressed in many currencies; the only countries whose money actually preserved a constant, if nominal, ratio to gold throughout the period were countries like Germany that had in a large measure insulated their economies from world-markets. It seems better, for a number of reasons, to take as the initial basis of comparison the course of prices expressed in sterling. The first reason for using this basis is that the pound sterling, at the end of the period, had maintained for much longer than either the dollar or the franc its then existing relation to gold. The flexibility of that relation is actually an advantage for the present purpose of comparison, once the attempt to use a gold measuring-rod has been abandoned. Secondly, the 'sterling area'—that is to say the group of countries whose currencies were formally

or informally linked with the United Kingdom pound—covered a very large part of the world and included countries as different in economic character as the United Kingdom, the Scandinavian countries, Australia, India, the Rhodesias and many others both within and beyond the British Commonwealth. Thirdly, not only was the greater part of the world's free supplies of many commodities produced within that area; in a great many cases—including such important commodities as rubber and base metals—the world price was fixed, in terms of sterling or linked currencies, in United Kingdom markets or other markets within that area. It must be emphasized, however, that the present purpose is limited to comparing prices in 1936 and 1937 with those in 1929, and that there is no need to trace the course of prices through the intervening period, when prices were adjusting themselves to the change in the currency basis.

In 1935 wholesale commodity prices in Great Britain stood at only 74·3 per cent. of their 1929 level,[1] in spite of the presumed effect of the abandonment of the gold standard in raising the national price-level. Every year since 1932 had shown an advance, but the rise had been slow. The advance was continued in 1936, and after a set-back in June the monthly index for July was 78·2 per cent. of 1929. But it was not until after October that the rise became steep; although the percentage for December was 85·7, the average for the whole of 1936 was only 78·8 per cent. of 1929. By March 1937 the index had risen to 94·4 per cent. The relation of 1937 prices to those of 1929, however, was far from uniform between the different groups of commodities. For textiles it was only 80·5 per cent., for cereals and meat 96 per cent., for other foods 82 per cent.; it was the figure for minerals —118·4 per cent.—that brought the average so close to that of 1929, and well above that of 1930. In the United States, although the general position attained in respect of dollar prices was very much the same, the spread was much narrower. The total index for March 1937 stood at 92·1 per cent. of the 1929 average, its components being: raw materials, 92·2 per cent.; semi-manufactures, 95·4 per cent.; finished goods, 91·4 per cent.; and farm products, 89·6 per cent.

Thus both in the United Kingdom and in the United States local prices had recovered, by March 1937, to within 6 to 8 per cent. of the levels of 1929. The latter year had seen the peak of the 1925–9 boom. Thus the fact that by 1937 prices had returned so close to 1929 levels in the two greatest industrial-exporting countries in the world (as they had likewise, when expressed in local currencies, in many primary-exporting countries like the British Dominions) prompted

[1] The indices used are those of *The Economist*.

in contemporary minds two questions. Was 1937 to see the peak of the price-inflation in the next boom-slump cycle? Had the long-term fall in prices, which marked the period 1923 to 1929, been checked, and possibly even transformed into that equable long-term rise which many economists recommended as a prophylactic against repeated economic depression? Since this *Survey* is an historical and not a speculative work, the first question is raised here, not in order that an answer may be suggested, but because the answer to it, which could be finally given only by experience, must plainly qualify the answer to the second question. If prices were to rise further before falling again on the downward phase of the boom-slump cycle, it would be premature to draw any conclusions concerning the long-term trend of prices from the stage that they had momentarily reached in early 1937. Hence any conclusions suggested in that regard must necessarily be tentative and contingent. Only a retrospective analysis could satisfactorily dissect from one another the three kinds of price-movement: the short-term or accidental movements (due to weather conditions, strikes, market-rigging or similar factors), the cyclical movements (due to waves of industrial activity and depression of which price-changes were at once a symptom and in certain phases a cause), and the long-term movements (due to such forces as the rise in the world's population, the advance in technical efficiency, or changes in the bases of currency systems, including changes in the volume or distribution of monetary gold). It is impossible, at the moment when this story must be written, to assess in what proportion these three types of movement mingled to produce the rise of prices in 1936 and in early 1937.

One or two general propositions may nevertheless be put forward. In the first place, no evidence yet proved that the long-term fall of prices which was among the outstanding economic phenomena of the post-war period[1] had been brought to an end. There had been little or no price-inflation to mark the boom phase of the cycle in 1929, whereas there was certainly a measure of price-inflation in 1936 and the early months of 1937; yet prices in the latter period remained definitely below the levels of 1929 in the two chief currency areas in which there had been the longest time for the fall of the currency against gold to be reflected in higher local prices. To the sterling and dollar areas could be added Japan, where, in spite of the depreciation of the yen, not only against gold but even by a considerable fraction against sterling, wholesale prices in March 1937 were still less than 95 per cent. of the average for 1929. The two chief countries whose

[1] See the *Survey for 1930*, pp. 459–70.

wholesale-price indices had already risen above the 1929 level were China and Argentina, in both of which an exceptional depreciation of the currency had played a decisive part. In countries that had maintained a constant ratio between their currency and gold, and in others that had comparatively recently sought the relief of depreciation, a 1929 standard of prices remained well beyond the horizon. The French wholesale-price index was still 12 per cent. below the 1929 average, and the German index 22 per cent. below.

This apparent continuation of the long-term trend downwards was not, perhaps, specially surprising. For two of the main forces underlying that trend were reinforced rather than checked by the depression: the restriction of international trade in raw materials and foodstuffs as well as finished articles, in the interests of economic nationalism, and the cheapening of the processes of production by technical invention and discovery. While the gold value of world-trade fell by two-thirds in the course of the slump, in no year did its volume fall below 74½ per cent. of the 1929 amount; yet even in the last quarter of 1936 the percentage was still below 92. Economic nationalism strengthened its hold, with adverse effect upon the prices of those commodities which entered prominently into international trade. The advance of technical economy and discovery is less easy to illustrate from statistics, though examples could be chosen in almost any industry, whether primary or secondary. But its force was proved by one of its most striking symptoms—the increasing relative importance, in national economies, of services of all kinds, gratifying demand which could arise only after basic material needs had been satisfied. In other words, an increasing margin of the world's economic effort—both capital and labour—remained unexpended after the necessary goods, as distinct from services, required by its population had been produced. Apart from its relation to technical efficiency, this phenomenon by itself would directly indicate a fall of commodity prices relative to the prices of services and to incomes generally, and a fall of the prices of commodities entering into consumption immediately or after slight treatment, relative to the prices of commodities forming a minor cost in the provision of services (such as transport, public or private) or elaborately manufactured articles.

It was widely argued that the greatly increased output of gold, and the revaluation of gold reserves at figures which vastly increased the scope for currency expansion, would serve to reverse the long-term tendency of prices, and set their course on an upward movement lasting (with accidental and cyclical variations) for many years. Much as there was to support this argument, it was greatly weakened

by the fact that the supplies of new gold, as well as existing reserves, were very ill-distributed, and instead of exercising their effect on the general world price-level were largely concentrated in one or two countries where they became 'sterilized'. This state of affairs might, of course, be altered by a redistribution of gold, or at least a redistribution of the faculty of acquiring gold. But this implied either radical changes in national fiscal and economic policies or a large-scale resumption of international lending, and of both these things it could only be said in the early months of 1937 that they did not seem at all likely in the near future.

The second general conclusion to be drawn about the state of world prices at the beginning of 1937 was that 'accidental' influences, whatever their relative weight, had undoubtedly reinforced an upward cyclical movement. The intervention of speculators has already been mentioned. For wheat and other grains, a dominating influence was the droughty conditions in North America in two succeeding seasons, reinforced in 1936 by the comparative poverty of the European crop. Among the 'accidental' influences must be reckoned also the various schemes of organized restriction of output or exports that affected the greater number of commodity markets at the end of the period under discussion. It is true that these schemes were so general, and their ostensible purpose so permanent, that on a first view they should certainly be regarded as a long-term influence affecting the main trend of commodity prices and production. But experience since the immediate post-war slump (which provided the motive power for the earlier restriction schemes) showed plainly that falling price-levels undermined the strength of such schemes, that their collapse accelerated the decline of prices, and that this interaction was repeated in a reverse sense during the upward phase of the cycle, until demand grew so strong and prices rose so high that the schemes automatically lost their potency by losing their reason for existing. Hence, in its actual effect on the price-level, restriction was to be regarded not as a permanent and uniform influence but as an accidental factor exaggerating the steepness of the cyclical curve. Each scheme taken by itself must obviously be regarded as an accidental cause on a footing with droughts or strikes. How far the schemes as a whole should be regarded as an incidental element in the business cycle, and how far as separate from it, is perhaps a matter of judgment rather than demonstration.

Another vital factor was at once distinct from the business cycle, a cause of one of its phases, and a result of an earlier phase—these three rôles being incapable of precise dissociation from each other.

That was the armaments boom. All over the world, from 1933 onwards, national armaments were being increased,[1] and it was far from being a mere coincidence that the period of international tension that gave rise to the race in armaments was ushered in by the period of world depression. The depression helped to generate the competition in arms in three main ways. Bad times caused bad feelings, and bad feelings caused fears which sought protection behind the ramparts of arms. Secondly, the fall in prices and the drying up of the stream of international capital made inevitable an enhancement of economic nationalism, which in turn inflamed political nationalism. Thirdly, to some Governments, expenditure on armaments seemed at least as sound a means of decreasing unemployment and stimulating purchasing power as expenditure on roads or other public works. In the opposite direction of causality, the armaments expenditure helped to raise prices in two main ways. It was one of the means whereby the vicious circle of rising unemployment, falling purchasing power, falling profits, was broken; that is to say it was one of the stimulants of reflation, which spread through the whole economy and therefore involved a higher price-level all round. But it was also to be regarded as an economic force by itself, distorting the general price-level by abnormally raising the prices of the articles that entered into the manufacture of munitions and equipment for war. How potent these different forces were in bringing about the rise in average prices can hardly be discussed in general terms; it is more useful at this stage to turn aside and examine the course of prices in a number of leading trades—inevitably an incomplete list, but one that is representative of the different economic forces at work during the period.

(*b*) Commodities, Restriction and Rearmament

(1) *Wheat*

It seems appropriate to begin with the four commodities involved in the most outstanding of the schemes of international restriction that had characterized the previous phase of the economic cycle—wheat, rubber, tin and copper.[2] No commodity, perhaps, underwent so violent a reversal of adverse fortune as wheat. On the 10th June, 1936, No. 2 winter wheat (nearest future) stood at 84⅝ cents a bushel in Chicago. A little over six months later it had risen to 134¼ cents

[1] For the increase in 1936 see the present volume, Part I, section (iii).

[2] Some account of the principal international restriction schemes will be found in the *Survey for 1930*, Part VI, section (i) (*e*); the *Survey for 1933*, pp. 71–2; the *Survey for 1935*, vol. i, Part III, section (i).

a bushel, an increase of nearly 60 per cent. The advance was all the more remarkable in that the wheat market had remained uniformly depressed for some six years. From the season 1930–1 to that of 1935–6 annual averages of wheat prices on the British import market had varied within the range of 5·21*s.* per cwt. to 6·65*s.* per cwt.—a margin of only 27½ per cent. Although the season 1935–6 was the most favourable, in point of price, since 1928–9, it was disappointing when wheat was compared with certain other raw commodities. The requirements of importing countries continued to fall; at 510,000,000 bushels, the figure was the lowest recorded since the War of 1914–18. The exportable surplus of the great producing countries, however, was also abnormally low, partly owing to bad weather, partly owing to increasing home consumption, especially in America. To this surplus, totalling 387,000,000 bushels, was added an exportable carry-over of 367,000,000 bushels from the previous season. The result of the year's trading, up to July 1936, was to reduce this carry-over to 244,000,000 bushels—the lowest figure since 1927.

Hence, when the crop-year 1936–7 began, the statistics were emphatically on the side of higher prices. Harvest weather soon reinforced them. By early October it was estimated that the European crop (outside Russia) would be 78,000,000 bushels lower than in 1935, the North American crop 45,000,000 bushels lower, the North African crop 16,000,000 bushels lower, and the combined crops of India, Japan, Turkey and Chosen (Korea) 27,000,000 bushels lower. The Danubian countries actually harvested 69,000,000 bushels more than in 1935, and Germany 6,000,000 bushels more (by comparison with an exceptionally poor 1935 crop), but these gains were more than offset by deficits in Great Britain, France, Italy and other European countries. Similarly, a small advance in the United States crop was altogether outbalanced by a large fall in the Canadian crop. The United States could still turn her back on the world's export markets, of which at one time she had been the foremost supplier. It was too early to estimate the prospective crops of the Southern Hemisphere on any sure basis, but Northern countries were apparently in need of 166,000,000 bushels more wheat than they had imported in 1935–6, during which year exportable stocks had been depleted by 123,000,000 bushels. Hence it seemed that unless the Southern Hemisphere crop, together with exportable supplies from Russia, increased by some 290,000,000 bushels there must be a further inroad on the world's already scanty reserves.

The prospects for such an increase of supplies from Russia,

Australia and Argentina were certainly not good. It was true that the last-named country had had an exceptionally good crop in 1936, and might be able to make up at least 100,000,000 bushels of the 1937 deficiency. But Australia, which had moderate harvests in both seasons, was not in a position to provide the rest, nor was there any sign of Russia's returning to the rôle of large-scale supplier of wheat to Western Europe—a rôle which she had occupied before the War of 1914–18, had resumed in 1930, and had relinquished as soon as she was able to secure the foreign exchange that she needed by means of alternative exports. On the importing side of the scale, the position of Italy and Germany was specially important. Both countries, pursuing policies of reducing their economic dependence on the outside world, had boasted that they had rendered themselves self-sufficient in bread grains. Their achievement in this direction, however, was largely based on the succession of good harvests up to 1934; the reversal of this good fortune revealed its instability. The reserves that Germany had accumulated from the good crops of 1932 and 1933 had been largely exhausted by the time when the poor 1936 crop was harvested. Moreover, the shortage of fats had led to a larger consumption of bread, under official encouragement. Germany's policy in the 1936–7 season appeared to be to import coarse grains rather than wheat, in order to reverse that process through increasing the output of animal foodstuffs. Her imports of wheat were nevertheless considerable, though not so large as those of Italy. The product of these factors was a sharp rise in the price of wheat, and the rapid exhaustion of Argentina's exportable surplus. At the end of March 1937 the Argentinian Grain Board announced that it might be necessary to restrict exports, at some later date, in order to safeguard domestic requirements for milling and seed. On the other hand, the high price of wheat caused a curtailment of Eastern purchases, and this provided a certain counter-weight.

The restriction of output by international agreement, which had been trumpeted as one of the exceptional successes of the World Economic Conference of 1933,[1] had no direct effect whatever upon the rise of wheat prices in 1936–7, though it is possible that, but for the international agreement, acreages of wheat, especially in the United States, might have been higher than they were in 1935 and 1936. Those two seasons, in fact, saw the complete liquidation of wheat restriction, including the final unloading of Canadian official hoards. The only major factor that remained unreversed in the world wheat market was the protectionism of importing countries.

[1] See the *Survey for 1933*, pp. 71–2, and the *Survey for 1935*, vol. i, pp. 344–51.

(2) *Rubber*

Rubber vied with wheat in the sharpness of the advance in its price. 'Sevenpenny Rubber' was the title of a leading article in a London financial newspaper on the 11th February, 1936. Thirteen months later, the same journal headed an article 'Shilling Rubber'. In 1934 and 1935 the main cause of the comparative firmness of rubber prices had been the organized restriction of production;[1] but so far was this from having caused the rise in 1936 and the early months of 1937 that the signal for the advance beyond a shilling a pound, on the 16th March, 1937, was actually a decision of the International Rubber Regulation Committee to raise the permissible export quota for the second half of the year from 85 per cent. to 90 per cent. of standard tonnages. In the first half of 1936 the quota had been 60 per cent.; for the second half it was raised to 65 per cent. In October the decision was taken to add another 5 per cent. for the first half of 1937, and in making their announcement the Committee drew attention to their power under the restriction scheme 'to revise their decisions as regards the permissible exportable amount from time to time if, for any reason, this should, in their opinion, be desirable'. The immediate reaction of the market was to boost the price to 8d. a pound, the highest price recorded since February 1930. In December the expected revision was made: the quota for the first quarter of 1937 was raised to 75 per cent., and that for the second quarter to 80 per cent. This was again followed by a rise in prices; on the 18th December the tenpenny mark was reached for the first time since October 1929, and within a fortnight another penny was added.

On the 26th January, 1937, the Committee decided that the export quota for the third quarter of the year should be 85 per cent. of basic allowances, from which figure it was advanced in March to 90 per cent. In announcing their January decision, the Committee stated that they had examined the rubber position 'with particular regard to the relation of probable supplies to probable demand'. They asserted once more their desire to maintain at all times a supply of rubber adequate to consumers' needs; they realized, they said, that producing territories, particularly those dependent on immigrant labour, must necessarily take steps in advance to organize themselves for increased production.

One of the major causes of higher prices was, in fact, the doubt whether producers could supply enough rubber to fill their permis-

[1] See the *Survey for 1935*, vol. i, pp. 351–61.

sible quotas. One authority declared that no more than 75 per cent. of the basic tonnages could actually be produced in 1937; a more widely accepted estimate was 80 to 90 per cent. It was alleged that the larger estates, particularly in Malaya, had been over-assessed when the table of standard tonnages was drawn up, in order to give them an advantage over the less influential small producers. While the international scheme banned the planting of new land, a large proportion of the existing acreage had been planted twenty-five to thirty years previously, and was past its prime. The process of improving yield by budding and heavy manuring was still in an experimental stage. The restriction agreement had permitted the replanting of one-fifth of the area under cultivation, and to a considerable extent this had been carried out, more especially in the Netherlands East Indies; but the new trees would not be ready for tapping until five or six years had passed, and would not be in full bearing for ten years. In the meantime a large fraction of the cultivated acreage had been temporarily put out of production. These considerations applied to the estate rubber industry in Malaya and the Netherlands East Indies, and not to smaller producing areas such as Ceylon, Siam and Sarawak, whose basic allowances were thought to conform closely to their true potential outputs.

A good deal turned on the productive capacity of the native areas. One estimate placed it at 1,000,000 tons per annum—nearly the whole extent of world demand in 1936.[1] This view was generally discredited, and more sober observers, while admitting that the native areas had a hypothetical capacity of perhaps 350,000 tons, thought that in any likely circumstances they could produce little more than their quota of 250,000 tons. The basic tonnages for all countries in the restriction scheme totalled 1,370,000 tons for 1937, of which about 850,000 tons were allocated to the estate producers of Malaya and the Netherlands East Indies. Applying an 85 per cent. ratio for this portion, and counting on 100 per cent. for the remainder, the productive capacity of the rubber industry at that period appeared to be about 1,250,000 tons a year, including 100,000 for areas outside the scheme. The world absorption of crude rubber in 1936, according to the International Rubber Committee, amounted to 1,020,788 tons. This figure was higher than any previously recorded, and was some 78,000 tons higher than in the previous year. At the beginning of 1937 the world absorption of rubber (that is to say, consumption *plus* any net increase of consumers' stocks) was running at the rate of about 90,000 tons a month. There were signs that it

[1] See the *Survey for 1935*, vol. i, p. 357, footnote.

might rise higher; at 100,000 tons a month it would virtually exhaust the margin between the actual output and the apparent maximum output of the world.

That the increase of armaments contributed something to this rise in the demand for rubber could hardly be doubted. 'Rearmament', wrote a leading London firm in their review of the rubber market in 1936, 'means a much accelerated demand for rubber. . . . So long as there is any fear of international strife, any importing country will naturally desire to have some stock in hand against the possibility of being unable to secure further supplies'. Dr. Colijn, the Netherlands President of the Council, who was also Minister for the Colonies, made a similar assertion to the Lower Chamber on the 12th February, 1937. The building up of large stocks by several countries as part of their armament programme, he said, was an important factor in the rise in the price of rubber. Yet there were certain facts that seemed to contradict these opinions. Well over half the world demand for crude rubber came from the United States, whose direct contribution to the rearmament race was but a small one. The greatest single cause of the rising price of rubber was the prosperity of American civil industry, particularly the manufacture of motor-cars. Negative though illuminating evidence of this was to be found in the sharp fall in prices that occurred when the General Motors and other automobile plants in the United States were closed through strikes in 1937. In the second place, there was no clear sign that European countries were in fact accumulating big stocks of rubber for strategic or other reasons during 1936. On the contrary, the same professional review of the market referred to the depletion of continental stocks almost to starvation point. The growth of consumption outside the United States, it remarked, appeared to have been disappointing. The United Kingdom and other importing countries had eaten heavily into their stocks, either in order to avoid buying rubber at inflated prices, or because they were seriously short of foreign exchange. On the whole, it is safe to conclude that rearmament played only a minor rôle in causing the rise of rubber prices in 1936.

Indeed, the effect of heightened international tension was not all on that side of the scales. The higher the price of rubber, and the more imminent the danger of a war in which economic pressure might be a decisive weapon, the greater became the anxiety of importing countries who possessed neither colonies nor—what was far more important—the command of the seas to cut down their needs of rubber by curtailing civilian demand and by using substitutes.

Further progress was announced in the manufacture of synthetic rubber in Germany. In November 1936 a delegation of American manufacturers, visiting London in order to urge on the International Rubber Committee the need for maintaining a reasonably low price, remarked in an interview that synthetic rubber was already a significant factor in the market and would, in time, become a serious menace to the plantation industry. Early in 1937 important new steps were taken by the German Government to stimulate the production of synthetic rubber.[1] Everywhere, too, the use of reclaimed rubber was stimulated, as it had been during earlier rubber booms. In January 1936 the proportion of reclaimed rubber in the American consumption figures was 20·7 per cent.; a year later it had risen to 27·4 per cent.

The exploitation of substitutes was one reason why the fear of a failure of world supply to keep pace with world demand for rubber might possibly prove ill-founded. Another was the chance that the estimate of potential output in the native areas of the Netherlands East Indies might, after all, be much too low. Their costs of production were undoubtedly very small; for they continued to export large quantities of rubber—more than their allotted quota in some months—despite the imposition of an export duty designed to reduce the net return to about 6 cents per half-kilogram. In February 1936 this duty was 32 cents per kilogram; by August it was 37 cents, and the rise in the guilder-price of rubber as a result of devaluation made necessary a further increase to 47 cents. The price in Batavia being then 59 cents, very nearly four-fifths of the gross return was being deducted in taxation, though a large part of this impost was returned to the native producers by way of education in the use of more effective methods and through other channels. Rising prices were followed by still higher taxation, a peak of 59 cents per kilogram being reached early in December. Even at this rate the net return to the producer was well beyond the basic level of 6 cents a half-kilogram, and a substantial increase in exports from native areas was expected. When the contrary happened, experts reflected that the natives' economic motive was very different from that of the European estate-owners. The former desired only a certain moderate standard of life; when the return per unit of output increased, instead of striving for a higher and higher volume of profits they were content with the same return for less work. This consideration was seen to have special force in regard to the change from restriction by taxation to restriction by individual licence. This reform, which had

[1] See below, p. 243.

long been contemplated and had been partly introduced in 1936, was completed on the 1st January, 1937. The Netherlands East Indies Government would lose a very large source of revenue, though they would continue to levy a sliding-scale export duty on all rubber, native-grown and estate-grown. The native producers would receive an enormously greater return per unit of output; but what would happen to the aggregate volume of their output remained to be seen. It was a curious irony that interlaced the problem of supplying the swollen demands of Western industry for raw materials with the problem of harnessing the Eastern economic philosophy to the capitalist system.

(3) *Tin*

Tin was another commodity with regard to which a scheme of international control of output underwent sharp modification in 1936. The story of the restriction of tin production in the *Survey for 1935*[1] left off at a moment of great uncertainty. The restriction pact of October 1933 had been limited to five years' currency from the following 1st January, and its strength had been constantly threatened by the privileged position of producing countries like Siam which did not subscribe to its full restrictive terms. The uncertainty was prolonged through the greater part of 1936. Agreement between the International Tin Committee and the Government of Siam was not reached until the 5th November; and a further two months elapsed before the new restriction pact was ratified.

Hopes of a settlement had been raised by the announcement on the 6th July, 1936, that Bolivia would surrender to the other countries participating in the scheme her right to produce the arrears of permissible tonnage that she had hitherto failed to export. For two years Bolivia had not produced more than 70 per cent. of her standard tonnage, and it was believed that this proportion represented her maximum current capacity. Bolivia's permissible quota, it was agreed, would now be reduced to 75 per cent. (instead of 90 per cent., the rate then in force), and on paper the same percentage would be applied to the other signatories of the pact. But Bolivia's accumulated arrears, amounting to 10,288 tons, would be distributed among them in such a way as to restore the actual allowances for Malaya, the Netherlands East Indies and Nigeria to 90 per cent. of standard tonnages. The importance of the adjustment lay less in its immediate practical effect, which was slight, than in the greater opportunity that it gave for the three restricting countries to make an offer to Siam that would not involve curtailing their standard tonnages.

[1] Vol. i, pp. 362–71.

On the 27th July, however, it was officially announced that the negotiations with Siam had broken down. Her representatives were demanding a basic allowance of 18,000 to 20,000 tons per annum, whereas the Committee, it was reported, refused to offer more than 15,000 tons. Siam's existing allowance was only 10,000 tons, but according to the special sliding scale applied to her output she was allowed to produce 12,240 tons per annum while the international quota stood, as it then did, at 90 per cent. The Siamese Foreign Minister urged that many mining areas were still undeveloped, and that Siam wished to extend the production of tin as a means of reducing unemployment. Other spokesmen claimed that the country was capable of producing 25,000 tons per annum if restriction were abandoned. The news of the breakdown of negotiations drove down the London price of cash tin from £189 to £182 per ton. The market, however, recovered some optimism upon reflecting that it was probably witnessing a piece of poker-play incidental to some very hard bargaining. By the end of September, when the decision was taken to keep the effective quota at 90 per cent. (for Bolivia 75 per cent.), the cash price was well over £190 a ton.

Negotiations with Siam had by that time been resumed. On the 5th November the International Tin Committee announced that an agreement had been reached 'regarding the tonnage basis on which Siam would become a party to the renewal of tin control'. The agreement would be submitted for the approval of the Governments concerned. Their ratifications having been completed, details of the agreement were published on the 7th January, 1937. The standard tonnages for Malaya, Bolivia, the Netherlands East Indies, Nigeria and French Indo-China were unchanged. Siam was allotted a standard of 18,500 tons, whereas with an international quota of 100 per cent. her permissible output under the old sliding-scale plan would have been 13,500 tons. On a similar basis of comparison, the allowance for the Belgian Congo was raised from about 8,000 tons to 15,200 tons. Although there were special reasons for enlarging the permissible production of tin in Siam and the Congo, here was another illustration of the truth, so amply proved by experience, that the chief producing countries, in conducting a commodity restriction scheme, must pay a high price for the adhesion of their smaller competitors. Seen from this point of view, the theory of marginal supply became a theory of nuisance value. The general effect of the new tin scheme (which had many complicated details that cannot be described here) was summed up in the accompanying reduction of the international quota from 105 per cent., at which it had been

fixed for the last quarter of 1936, to 100 per cent. for the first quarter of 1937; for this limitation had full effect upon the output of the countries whose basic allowances remained unchanged, while leaving the total world output at its former level.

The agreement was to have a life of five years, but there was an 'escape' clause which was interesting as reflecting the cast of men's thoughts at that time; any territory might apply to be allowed to export temporarily more than its permissible output in the event of hostilities in which it was involved, and if permission were refused it might then withdraw from the scheme. A further clause allowed notice of withdrawal to be given if production outside the seven signatory countries exceeded, over a period of six consecutive months, 12,500 tons, or 15 per cent. of estimated world output. At the time when the agreement was signed, 'outside' countries were producing about 20,000 tons of tin per annum, of which some 10,000 tons were produced in China. With a 100 per cent. quota, the restricting countries were in a position to produce about 170,000 tons per annum, after allowing for the inability of some of them to produce as much as they were theoretically allowed.

This inability was in the background of important changes that were made, under the new scheme, in the rules for voting on quota decisions and other issues. The unanimity rule was abandoned, and the votes were allotted in such a way that a combination of Malaya, Nigeria and the Netherlands East Indies would always have a majority. This group, being low-cost producers able to fill their whole allowances, had a prime interest in maintaining output and consumption at the highest possible level; whereas the remaining countries, being on the whole high-cost producers incapable for the time being of taking full advantage of a liberal quota, had a much stronger interest in maintaining high prices combined with restricted production and consumption. The Netherlands East Indies, formerly a comparatively high-cost area, had been brought into step with Malaya through a great economy of productive costs and through the devaluation of the guilder. This part of the new scheme (which incidentally also provided for the representation of consumers' interests on the International Committee) was a distinct advance towards liberation of the world trade in tin.

The quota for the second quarter of 1937 was maintained at 100 per cent. of standard tonnages. In making this announcement, the Committee stated that the outcome was expected to be an addition of about 1,600 tons a month to stocks, this estimate being based on the hypothesis that world consumption would be maintained at

170,000 tons per annum. But consumption was apparently running well above that figure, and this was one reason for a swift boom in tin that developed in March 1937, immediately after the Committee's decision. By the 18th March the price of spot tin in London was over £300 a ton. A fortnight earlier it had been no higher than £256. Immediately before the announcement in the previous November that an agreement had been reached with Siam, spot tin had sold for only £215. The causes of this rise in prices were complex. In its later phase, an element of pure speculation was undoubtedly important; and for the greater part of 1936 the market had been depressed by the fear of a complete breakdown of international control. But neither bull speculation nor the sharp reaction from abnormal depression would have occurred but for the increase in world demand. According to the International Tin Research and Development Council, the apparent consumption of tin in 1936 was 157,182 tons, an increase of 10·3 per cent. on the previous year. Eight-ninths of this increase in consumption was in the United States. Three-fifths of it was for the making of tin-plates, used mainly in canning foodstuffs. These proportions do not suggest that European armament manufacture had any close connexion with the rising price of tin in 1936, though the accumulation of preserved food against the contingency of war may have had a certain effect. Moreover, it would seem at least likely that, if rearmament were largely responsible for the rise in prices in 1936 and the early months of 1937, the accelerated pace of armament expenditure would have supported, or still further inflated, prices during the latter year. Yet by May the London price of tin had fallen once more below £250 a ton.

(4) *Copper*

In many ways the market careers of tin and copper were closely allied, but their experience in regard to restriction was quite dissimilar. The copper restriction agreement, which was the last of the great international schemes for restricting the supply of raw commodities to be put into operation,[1] was the first to be suspended. It had been faced, very early in its career, with the threat of collapse through the breakdown of the N.R.A. copper code in the United States, but had soon recovered strength as the consumption of the metal rapidly increased. Its suspension in January 1937 was the result, not of its weakness, but on the contrary of its success in its purpose of raising prices; for meanwhile the degree of restriction had been steadily whittled away, as prices rose higher and higher. The

[1] See the *Survey for 1935*, vol. i, pp. 371–7.

initial rate of curtailment of production, operative from the 1st June, 1935, was 30 per cent. From the 1st August, 1936, it was reduced to 25 per cent., and two months later to 20 per cent. By the 5th November it had become negative, the authorized allowance having been raised by three rapid degrees to 105 per cent. of the standard tonnages.

These standard tonnages had never been officially announced, but were understood to total about 600,000 tons, whereas the maximum productive capacity of the three countries concerned—Chile, Northern Rhodesia and the Belgian Congo—was in the neighbourhood of a million tons. (The scheme restricted neither the output of by-product copper in Canada or elsewhere nor the mining of copper in the United States, but limited exports from the latter country to a maximum of 8,400 tons a month.) Hence a 105 per cent. quota still represented a considerable measure of restriction by comparison with productive capacity, though perhaps no great measure by comparison with the outputs that the copper-mining concerns would actually have maintained had competition been uncontrolled. This matter was shortly to be put to the test; for on the 13th January, 1937, it was announced that all restriction on production would be temporarily removed. The adherents to the restriction scheme, it was stated on their behalf, had unanimously agreed on the conditions under which curtailment was again to become effective if necessary. What these conditions were was not disclosed, but it was generally understood that they related to the volume of stocks of copper rather than to its price.

For the time being the price was a dream of avarice for low-cost copper producers. When the restriction agreement was reached, in March 1935, standard copper sold in London for about £30 a ton. A year later the price had risen to about £35 a ton. By the end of 1936 it was very nearly £50 a ton. At the height of the 'commodity boom', in the first three months of 1937, it touched £73 10*s*. This was about three and a half times the operating costs of the Northern Rhodesian copper-mining companies. The proximate cause of the rise in prices in 1936 was the decline in world stocks of copper, as a result of the restriction agreement and the acceleration of consumers' purchases. This was a clear instance of higher prices caused by the expectation of higher prices. According to the British South Africa Company, the actual consumption of copper outside the United States fell slightly in 1936, from 1,103,000 tons to 1,100,000 tons; this was prevented from causing a fresh depression of prices only by the fact that output simultaneously fell (thanks to the restriction agreement) from 1,110,000 tons to 1,060,000 tons.

These figures did not suggest that armament needs were a major stimulant of higher prices. The requirement of copper for munitions was perhaps exaggerated in the minds of some of the speculators who took part in the boom of early 1937. A programme of ten new 10,000-ton cruisers, for example, would need only 2,000 tons of copper, and possibly half of this would be derived from scrap. A like amount of 1,000 tons of new copper would be needed—to take another imaginary example—for a year's supply of ammunition for the British Government, had the latter increased their demand to five times the rate current before the rearmament programme went into force. And 1,000 tons of copper was less than one-tenth of 1 per cent. of total world requirements of new copper. An analysis of copper consumption in the United States in 1935 showed that 23 per cent. went into electrical manufactures, 11 per cent. into the telephone and telegraph industry and light and power cables, 8 per cent. into wire cloth and other forms of rod and wire, 15 per cent. into motor-cars, 8 per cent. into the building industry, 7 per cent. into domestic appliances (radio sets, refrigerators, and so on), 6 per cent. into metal castings, and only 2 per cent. into ammunition of all kinds, the remaining 18 per cent. being divided among a variety of minor uses. It is not too much to say, having regard to such figures as these, that the housing boom (with the associated inflation of demand for telephones, electricity, household appliances and other copper-containing articles) was much more important than the armaments boom in bringing about the rise of copper prices in 1936, or rather in helping the restriction scheme to bring it about. In spite of armaments, Germany's consumption of copper was 10 per cent. lower in 1935 than it had been in 1925; whereas Great Britain's consumption was nearly twice as high, although in 1935 her rearmament programme had scarcely begun.

(5) *Oil*

The next group of commodities to be considered is one that was in much more direct connexion with consumer demand. Of all the chief raw materials (other than food-stuffs), oil entered most directly into final consumption. Whereas the demand for copper or tin depended largely upon the turnover of industries like electrical manufacture or the canning of food, and the price of such commodities was therefore transmitted to the ultimate consumer only at several removes, oil was mostly produced, processed, transported and delivered to the consumer by a single, vertically organized industry. There was no such thing as a retail price of tin, but the retail price of oil was per-

haps the best single index of the condition of the whole oil-producing and oil-distributing industry. On the 27th April, 1937, the price of No. 1 petrol in the British Isles was raised to 1*s.* 7½*d.* a gallon. The retail price of motor spirit was raised almost simultaneously in the United States and a number of other large consuming countries, including France, Czechoslovakia, the Netherlands, Belgium and Scandinavian countries. Excluding 8*d.* excise duty, the new British price was 11½*d.* a gallon, to which net figure it had been raised from 9*d.* by small stages spread over twelve months. The lowest ex-duty price during the depression had been 8½*d.*, which ruled from July 1931 until September 1932. From March to November 1929 the ex-duty price had been 1*s.* 3*d.* a gallon, and it was perhaps significant that during that period the gross price to the consumer had been exactly the same as the average for the first six months of 1937.

The consumption and production of petroleum and related fuels were higher in 1936 than ever before. World output was estimated at 1,847,000,000 barrels, and consumption at 1,760,000,000 barrels. These figures suggested that an increase of producers' and distributors' stocks was an important influence upon the course of the world market for oil. Still more important, however, in encouraging higher prices was the fact that consumption was rising faster than production. It was confidently expected that the world demand for oil would show a further increase of at least seven or eight per cent. in 1937. On the production side, the 'hot oil' trouble in the United States[1] had been successfully brought under control by state legislation backed by Federal prohibition of inter-state shipments in excess of amounts permitted under the state laws. Exports of oil from the U.S.S.R. were declining, having totalled only 2,650,800 tons in 1936, compared with 3,330,300 tons in 1935 and a record figure of 6,101,900 tons in 1932. Rumanian output also appeared to be on the downgrade, and Iranian output to be stabilized. Venezuela and Mexico had suffered from industrial and political disturbances. The main new source of oil was Bahrayn.[2] The output of this area rose from 700,000 barrels in the first quarter of 1936 to 2,080,000 barrels in the first quarter of 1937. So long, however, as consumption continued to rise, this addition to supplies could be absorbed without any depression of prices.

It is not easy to assess the part that military or semi-military demand played in causing the rise in prices. Save in actual warfare, even highly mechanized armies and oil-burning navies required only

[1] See the *Survey for 1935*, vol. i, pp. 383–5.
[2] See the *Survey for 1934*, p. 224.

a very small fraction of the oil consumed by commercial and private users. It may be noted that while the consumption of oil in the United States rose by 10 per cent. between 1935 and 1936, it rose by only 8·7 per cent. outside the United States; and that the latter country absorbed very nearly two-thirds of the total natural mineral oil produced in the world. The accumulation of stocks for strategic purposes probably had a certain influence upon demand, but against this had to be set the efforts of several countries to render themselves less dependent on foreign sources of oil, either by developing substitutes or by exploiting oil-fields under their political control with little regard to competitive cost. Since 1933 Germany had provided about half her requirements of oil from domestic sources, chiefly by the hydrogenation of coal or lignite, and she hoped under the Four-Year Plan to raise this proportion to 100 per cent. German experts claimed, furthermore, that before long synthetic oil would be able to compete in price with the natural product. It was announced in March 1937 that the Japanese Government would spend 95,000,000 yen (about £5,250,000), spread over seven years, in subsidizing the production of synthetic oil.

(6) *Tea*

The story of the international trade in tea affords an interesting and important contrast with that of industrial raw materials over the same period. Even more completely than oil, and unlike many other food-stuffs, such as wheat or cocoa, tea as bought and sold on world markets entered directly into private consumption, without the intervention of further manufacture save blending. Aggregate private demand for goods and services fluctuated much less rapidly than industrial demand; certainly in the later phases of the depression-boom cycle it was much more sensitive to price movements. The doubling of the price of tin made little difference to the retail price of the motor-cars in which it was incorporated; but the doubling of the wholesale price of tea would have meant virtually the doubling of the retail price of tea, with dire effect upon the volume of demand. Such a comparison suggests the value of a study of the market in tea as an enfilading search-light upon the history of international trade and prices. The comparison with industrial products is all the more direct in that tea, like tin and other raw materials, was the object of an international restriction scheme.

Particulars of this scheme were recorded in an earlier volume of the *Survey*.[1] For 1935–6 and 1936–7 (years beginning in April),

[1] See the *Survey for 1935*, vol. i, p. 379.

export quotas were fixed at 82½ per cent., and in November 1936 it was decided to retain the same allowance for a further year. In the following May, however, the International Tea Committee surprised the market by raising the quota to 87½ per cent. This rate was to apply over the whole of the fifth and last year of the scheme, which was due to terminate, unless renewed, at the end of March 1938. The change of policy was suggested by rising prices and rapidly falling stocks of the cheaper teas, a condition of affairs that threatened either a falling-off of consumption or a stimulation of exports from non-restricting areas (chiefly China, Japan and Formosa). When the decision was taken, common Indian teas were selling at round about 1*s.* 3*d.* a pound, compared with an average of about 1*s.* a pound over the whole of 1936. This advance of prices, though holding out the menace of a decline in consumption, was itself the result of a rapid increase of consumption. Prices fell by about 1*d.* a pound after the announcement of the enlargement of the quota, but the state of the market in early 1937 suggested an increase of about 30 per cent. in total purchasing power for tea, after taking into account both higher prices and larger absorption. To some extent this represented the tapping of new sources of demand through the persistent advertising carried on by the International Committee. But, allowing for that and for possible statistical error, we are led to the conclusion that the rate of aggregate purchasing power of the British and other Western communities for some of the simple luxuries of life, like tea, which in many countries had become virtually necessities, increased by some 20 to 25 per cent. between mid-1936 and mid-1937.

(7) *Sugar*

In many ways the international trade in sugar presented a contrast with the trade in other commodities during the phase of recovery from the World Depression. Its international restriction scheme (the Chadbourne Plan) broke down in a period when other restriction schemes were being successfully launched.[1] A substitute scheme for sugar went into force just as certain other commodities were being released from all practical degree of restriction of output. Moreover, the price of sugar was exceptionally slow in rising from its depression trough; indeed it fell almost continuously until the last few months of 1936, in spite of the facts that consumption had for some years been ahead of production and that stocks had fallen considerably. From 1928 to 1935 the annual average price (centrifugals, 96 degrees, c.i.f. United Kingdom) fell from 11*s.* 7½*d.* per cwt. to 4*s.* 8*d.* per cwt.,

[1] See the *Survey for 1935*, vol. i, p. 380.

and the average for 1936 was less than a penny per cwt. higher than in 1935. Yet by the end of January 1937 the price was well over 6*s*. per cwt., having risen by 20 per cent. in a month.

The cause of this sudden advance was partly the rise in the level of demand in relation to output, but more particularly the anticipation of a new international restriction scheme, rid of the fatal weakness of the Chadbourne Plan in omitting certain producing areas that could steal a march on their restricting competitors. The initiative for promoting such a fresh scheme was assumed by the British Government, but, in form, the World Sugar Conference that assembled, in April 1937, in London was a by-product of the World Economic Conference of 1933, being called at the instance of its president, Mr. Ramsay MacDonald, and the chairman of the Conference Bureau, Dr. Colijn.[1] The London Sugar Conference struggled through many trials before it reached agreement early in May. Its fundamental difficulty was the smallness of the free market compared with the total volume of world demand. Little more than one-tenth of the total market was available for international competition, the remainder being reserved by one means or another for domestic or colonial producers. In consequence, for many countries the importance of the free market lay less in the profit or loss at which sugar could be sold there than in the ability of that market to absorb at almost any price a relatively small surplus that remained after national requirements had been satisfied. This fact diminished the will to succeed at the London Conference, and largely accounted for the weakness of the agreement that emerged after a month's deliberations.

A very large portion of the free world market was provided by the British Empire, whose undertakings therefore formed a critical part of the scheme. The United Kingdom undertook to retain the existing limit of 560,000 tons per annum on the domestic production of sugar, and to stabilize imperial preferences at their existing rates. Quotas were fixed for the export of sugar from the British colonies, from Australia, and from South Africa; and India undertook not to export sugar by sea elsewhere than to Burma. The British colonial quota represented a reduction of about 5 per cent. on exports in 1936. It was agreed that if consumption in the British Empire should increase, and thus necessitate additional imports, the increase would be divided between the Dominion and colonial exporters enjoying imperial preference and the foreign exporters to the free market, in proportion to their existing shares of total Empire

[1] See the *Survey for 1933*, pp. 70–1.

imports of sugar—that is to say, roughly in the ratio of 1 to 2. The quotas allotted for export to the free market in 1937–8 totalled 3,610,000 tons, not counting 22,500 tons which, it was declared, might not be exported from the French Empire. The total quota included 940,000 tons for Cuba, 400,000 tons for the Dominican Republic, 1,550,000 tons for the Netherlands with its empire, 340,000 tons for Czechoslovakia, and 440,000 tons for other countries of Europe, including Russia but not the Portuguese empire. The European countries, however, agreed not to use 126,500 tons of their quotas in 1937–8. It was further provided that the International Sugar Council, which was set up under the scheme to supervise and regulate its working, should have power to reduce all effective quotas by a maximum of 5 per cent. during the first two years of the currency of the agreement. These reductions brought the total of minimum quotas down to approximately 3,310,000 tons for 1937–8. The statistical bureau of the Conference had estimated the requirements of the free market in the 1936–7 season at 3,170,000 metric tons. Hence the scheme seemed to require for its success an annual increase of over 4 per cent. in consumption, assuming the maximum degree of limitation of exports to be imposed. For a staple like sugar, this seemed a distinctly optimistic figure.

(8) *Cocoa*

Being used largely in the manufacture of chocolate, cocoa was subjected, on the whole, to a larger number of industrial processes and cost-additions than such articles as tea or sugar before reaching the final consumer. In this respect it was more closely comparable than they were to industrial raw materials. Cocoa seems remote from armaments, but it was typical of the speculative rise in commodity prices in late 1936 and early 1937 that the requirements of chocolate for military field-rations should have been seriously cited as a reason to justify higher prices for cocoa. The market for this innocuous commodity actually suffered as acute a speculative inflammation as any raw-material market. Up to 1936 prices for cocoa had been depressed by the persistent excess of production over consumption. In 1929 production was estimated at 565,000 metric tons and consumption at 508,000 metric tons. By 1932 the gap had been narrowed by a reduction of output to 548,000 metric tons and an increase of consumption to 518,000 metric tons. Three years later the low level of prices—from £52 a ton in 1928 they fell to less than £20 a ton in 1934—had so stimulated demand that estimated consumption rose to 645,000 metric tons. But production had also

increased, and the apparent margin of excess supply remained at 30,000 metric tons. It was doubtful, however, whether the consumption figures, though comparable from year to year, were entirely inclusive, and the probability appears to have been that by the end of 1935 something like equilibrium between supply and demand had been established in the cocoa trade.

When it seemed likely that production would fall slightly in 1936, while consumption was still rising, prices began to move steadily upwards. The consumption of cocoa in 1936, estimated at 682,000 metric tons, was over three times as high as it had been in 1913. By the June of 1936 the upward movement of prices was taking the shape of a speculative boom. The price of Accra cocoa in London rose from £23 at the beginning to £52 at the end of the year, and approached £60 a few weeks later. Then came a sudden pricking of the bubble, and cocoa shared fully in the fall of prices that overtook practically all commodity markets in the April and May of 1937. The higher cost had already induced a tendency to economize in cocoa among chocolate manufacturers, notably in Germany. Here again, the anticipation of war, by discouraging imports that could be dispensed with, caused a limitation rather than an increase of international demand.

(9) *Wool*

From food-stuffs it is no long step to the raw materials of clothing manufacture. An important sidelight was thrown upon the general state of world trade in 1936 by the fact that an intense economic dispute between Australia and Japan, which lasted from May to December of that year, and which resulted in the complete withdrawal of Japanese buyers from the Australian wool sales, had only a temporary and minor effect upon the price of wool. Certainly the Japanese action meant to some extent an absorption of stocks accumulated from the 1934–5 season, when prices had been much lower, and for the rest did not so much diminish the demand for wool as divert it to South Africa, New Zealand and other producing countries. But it was the kind of action that in less favourable economic times would inevitably have caused a sharp depression of prices, at least in Australia, a large part of whose clip was of peculiar quality and therefore constituted almost a separate article from the commoner wools of other areas. In actual fact, both in Australia and elsewhere average prices of wool were considerably higher throughout 1936 than in the previous season (the wool year ran from July to June), and weakened only slightly in the May and June of 1936. Australian

sales of wool in 1935–6 fell from 3,040,421 bales to 2,816,912 bales, but the total price received rose from £38,526,000 to £49,619,000 (Australian currency). New Zealand, favoured by the Japanese-Australian dispute, and having considerable stocks on hand from the 1934–5 season, sold 756,833 bales for £10,083,000 (New Zealand currency) instead of 479,797 bales for £4,486,000.

On the other side of the bargain, the shifts in the international demand for wool are shown in the following table, compiled by the Imperial Economic Committee. The figures are derived by adding net imports to home production, and therefore take no account of changes in the volume of unmanufactured stocks.

ABSORPTION OF WOOL IN PRINCIPAL CONSUMING COUNTRIES
(in millions of pounds)

Year.	*U.K.*	*U.S.A.*	*France.*	*Germany.*	*U.S.S.R.*	*Italy.*	*Japan.*
1929	556	672	606	382	480	164	107
1934	604	559	388	351	196	183	182
1935	644	653	441	319	234	156	244
1936	711	702	390	283	298	83 (est.)	217

The comparison between 1934 and 1936 is almost as significant as the changes since 1929. The larger absorption in France and the U.S.S.R., the two countries whose smaller consumption of wool had been largely responsible for the reduced total demand up to 1934, contrasted with fresh declines in imports of wool into Germany and Italy. Meanwhile, the exceptional prosperity of the English wool-manufacturing industry, and the rapid recovery of American manufacture to pre-depression levels, made the chief contribution to increased world demand for wool in 1935 and 1936. This suggested that in spite of the demand for wool for military clothing and other martial purposes the rearmament boom—already near its peak in Germany in 1935, while scarcely yet affecting Great Britain or the United States—was of secondary importance in the world wool trade. Indeed, as with certain other commodities, the net effect of military nationalism may even have been the opposite, on account of the stimulus given to the production of synthetic substitutes. The output of staple fibre (a wool substitute manufactured in much the same way as rayon), which was negligible before 1930, rose to 259,500,000 lb. in 1936.[1]

[1] See also below, p. 241.

(10) *Lead and Zinc*

Finally, it is worth while considering a group of metals whose fortunes were not affected by organized restriction as were those of tin and copper. Lead and zinc were among the few raw commodities to which no international restriction scheme applied during the period of rising world prices in 1935 and 1936. There had, indeed, been an international cartel of zinc producers from August 1931 until the end of 1934 (with a brief lapse early in 1933) but it was of a loose and not very effective kind, and upon its expiry at the end of 1934 the cartel agreement was not renewed. Certain special factors told against its renewal, among them the continuance of the United Kingdom duties on foreign lead and zinc, which had been imposed under the Ottawa agreements with the Dominions on the explicit condition that sufficient supplies should be forthcoming from the Empire at world prices. This arrangement persistently depressed the international price of lead and zinc, because, while British purchasers would naturally not buy foreign metal, on which duty would have to be paid, their demand for Empire metal was forbidden to raise its price (clear of duty) compared with that of foreign lead or zinc. A technical adjustment designed to correct this anomaly was introduced in 1935.

More fundamental obstacles, however, remained in the way of the international restriction of zinc production. In the first place, zinc was very largely produced in conjunction with other metals, often as a by-product only. Secondly, roughly one-third to two-fifths of the world zinc output was refined by customs smelters, that is to say, firms working on commission, whose interest obviously lay in a large turnover rather than in high prices for the concentrates or for spelter, and who feared that a reduced world output of ore would mean that a still higher share of the smelting would go to the countries of origin, under the familiar impulse of economic nationalism. Thirdly, even those countries that possessed few or no resources of zinc-bearing ore of their own were engaged in protecting or subsidizing national smelting industries as a strategic as well as an economic insurance. In September 1934, for instance, the subsidies paid by the Reich Government to the German spelter industry were considerably enlarged. Among the European countries that gave national protection or subsidy to zinc-smelting were Italy, France and Czechoslovakia. In the United Kingdom the smelting industry was a direct product of the War of 1914–18, before which it had scarcely existed. After the war it was officially designated a key industry according to the test of necessity for national safety, having regard

to the strategic importance of supplies, not only of zinc, but also of sulphuric acid, the chief by-product of zinc-smelting. The smelters' claims for protection became the more insistent as other industries, less vital in this strategic sense, were granted protective tariffs after 1931. On the other hand, the strategic argument for protection was weakened by the two facts that practically all the necessary ore and concentrates would have to be imported in any case, and that the smelting capacity within the British Empire had already grown to a point at which it could meet the Empire's own internal needs.

In spite of all these difficulties, it was widely expected that the negotiations for a revival of the International Zinc Cartel, which were opened at the end of 1935, would reach a successful conclusion. While output in many countries was stimulated in an effort to secure a better bargaining position in these conversations, prices rose in anticipation of an eventual control of output. In August 1936, however, the negotiations were finally broken off. Later in the year, after a slump caused by this event, the general influences that drove up the prices of other metals had their way with zinc also. From £13 10*s*. a ton at the end of August, the price of spelter on the London Metal Exchange rose above £20 in December, a mark that had not been reached since 1930. By the 1st March, 1937, the price was above £29, and at the peak of the commodity boom in that month it touched £37. By the 7th April it was down again to £26 a ton. Apart from purely speculative influences, this increase of prices was based on the hope of rapidly rising demand as the pace of industry accelerated, especially in the United States. Rearmament undoubtedly played a part in the rising demand for zinc, but the balance of influence may actually have been on the other side, as a result of the strategically inspired protection of national smelting industries, which tended to increase world supplies of spelter at least as fast as the demand for it was enlarged.

Since lead and zinc were largely produced from the same bodies of ore, their fortunes in the market were also closely allied. The flexibility of the link was shown, however, by the fact that, whereas tradition put the price of zinc £3 or £4 a ton above that of lead, during 1936 there arose a premium of several pounds a ton on lead, despite the sharp rise in the price of zinc in the later months of the year. In the earlier phase of recovery, there had been a distinct contrast between the excess of zinc produced over the world demand for it, and the excess of consumption of lead over the world supply. The more favoured position of lead was not due to organized restriction.

At the beginning of the World Depression a lead pool had tried, with little success, to minimize the fluctuation of prices, but it was dissolved in March 1932. Not until July 1935 did the world's lead producers come together, to agree merely not to increase production without due notice—an undertaking that did not prevent a continuous rise of output. Smelter production of lead outside the United States (which constituted a separate and almost an isolated market) rose from 903,600 metric tons in 1933 to 1,078,800 metric tons in 1935. Meanwhile the low prices at which lead could be obtained had greatly stimulated its consumption. Consumption outside the United States rose from 918,000 metric tons in 1933 to 1,099,100 metric tons in 1935. Over those three years consumption exceeded new output by nearly 80,000 tons in all. The 1935 consumption figure was 5·2 per cent. above the 1929 level, the previous high-water-mark in the world's use of lead outside the United States. This increase, however, was very unevenly distributed. Indeed, it was almost entirely attributable to the United Kingdom alone, whose consumption of lead increased from 274,200 metric tons in 1929 to 332,300 metric tons in 1935. By contrast, consumption in France fell by over 53,000 metric tons to 91,700 metric tons between 1930 and 1935. In the United States, similarly, output and consumption in 1935 were alike running at about half their pre-depression volumes.

In 1936 both consumption and production of lead continued to expand. During the second half of the year a new factor affected the market—the disturbance of Spanish supplies by the civil war. This was of much less moment, however, than it would have been at earlier periods. Until 1897 Spain had been the chief lead-producing country in the world, but after the War of 1914–18 her position in this respect gradually declined. Her post-war peak of production, 148,700 tons in 1924, was not much above half the nineteenth-century peak. In 1935 her output had fallen to 70,566 tons, and during the first six months of 1936 she produced only 28,070 tons, of which some 40 per cent. was required for domestic industry. Moreover, her lead was mostly exported to France and Italy, and practically none of it, after 1931, was sold on the world market (that is to say, in London). It was not this accidental curtailment of output in one area (which was at least balanced by new productive capacity elsewhere, notably in Australia, Canada, Newfoundland, Jugoslavia and the U.S.S.R.), but the general increase of world demand that drove up the price of lead in 1936 and early 1937. At the peak of the speculative boom, in March 1937, the quotation for lead on the London Metal Exchange was £36 7*s.* 6*d.* per ton, and although it fell

to £25 13*s.* 9*d.* on the 7th April even this figure was nearly 60 per cent. higher than the price twelve months earlier.

Undoubtedly armament demand played a part in increasing the consumption of lead, possibly a larger relative part than in other commodity markets. Bullets meant lead. Nevertheless there were plenty of signs that other influences were much more important in securing the rise in lead prices. The increase of the consumption of lead outside the United States from 1933 to 1935, when rearmament was still in its earlier phases, has already been noted; many new uses —peaceful uses—for lead had been found under the stimulus of low prices. Again, consumption of lead in Great Britain, so far from increasing rapidly in 1936, remained at almost the same level as in 1935—a reliable hint of the significance of house-building, which had its greatest boom in the latter year, in raising and sustaining the demand for lead.

(11) *Nickel*

Even more closely associated with armaments, in the public eye, was nickel. The story of the world nickel market in the twentieth century was the story of a single company, the International Nickel Company of Canada; for that concern controlled no less than four-fifths of the total production of the metal. But the converse was not true, since the company's fortunes were not identified with the market for nickel alone. About half its profits were derived from other metals smelted as by-products, notably copper, of which 'Inco' was one of the largest producers in the world, and platinum, of which it was the principal producer. The company's policy was not to rack consumers through the exploitation of its monopoly power, but to maintain steady prices for nickel and platinum at levels low enough to stimulate consumption.[1] Largely, no doubt, as a result of this policy, it sold in 1936 more nickel, copper and platinum metals than in any previous year. Sales of nickel totalled nearly 169,000,000 lb., compared with only 130,000,000 lb. in 1935, although 1935 itself had been a record year.

The fact that nickel was essential to the manufacture of modern armaments, notably as an ingredient in armour-plating steel alloys, prompted a popular belief that the prosperity of the nickel industry was due mainly or largely to rearmament. This view was trenchantly rejected by the chairman of the International Nickel Company in his

[1] In 1936 the price of nickel in the United States and Canada remained unchanged at a level that had been continuously maintained for a decade. Currency adjustments had necessitated the alteration of local quotations in other countries.

address to the annual meeting of shareholders in March 1937. He pointed out that 54 per cent. of the company's sales of nickel were in the United States and Canada, the balance being distributed over the rest of the world; and that consumption in the United States and Canada increased by 35 per cent. over the preceding year, whereas consumption elsewhere increased by 25 per cent.

> These figures [he continued] are significant in that they refute the suggestion, sometimes made, that the prosperity and development of your company are based upon military expenditures. The greatest increase of consumption, as well as the largest market, has been in two countries which have abstained from any large rearmamant programme.

(c) Armaments and Self-Sufficiency

Different as were the experiences of the various commodity markets, one or two main threads show through the tangled story. In the first place, there was, by the beginning of 1937, a general wilting of the practical influence of restriction. New schemes, it is true, had been introduced and old ones technically strengthened, but four of the most outstanding international schemes in the whole list—those for wheat, rubber, tin and copper—had either openly or tacitly ceased to be restrictive. It was common form for an announcement of an increase in permissible quotas under a restriction scheme to be followed by a rise rather than a fall in prices—an indication that the markets realized that the people responsible for operating the schemes were following rather than leading the trend of prices, and that the most powerful causes of the rise lay outside the enforcement of restriction.

In the second place, the armament demand was undoubtedly given a high place in the speculators' judgment of the influences affecting commodity markets. Even the diamond market was reported to be helped by the demand for industrial diamonds in the manufacture of armaments. Wool for uniforms, cocoa for field rations, oil for tanks and tractors, as well as base metals and steel alloys for actual munitions, were all mentioned in market gossip as important influences on the course of prices. In the third place, there is equally little doubt that these suppositions were exaggerated. Although the importance of armament demand varied greatly from commodity to commodity, there was none in the selection reviewed above for which, on a close examination of the facts, expenditure on armaments was by itself a decisive direct cause of the rise in prices. It must not be left out of account, of course, that when production and consumption were narrowly adjusted to each other a comparatively small increase

in demand might have a disproportionate effect upon prices; and this consideration might perhaps have lent special moment to the military absorption of certain commodities—for instance, lead, of which between 8 and 10 per cent. of world supply was probably used for the manufacture of ammunition.

To some extent, moreover, purchases for armament purposes may have been masked, either in order to avoid a speculative increase of prices against the purchaser, or for political reasons. Thus Sir Thomas Inskip, Minister for the Co-ordination of Defence in the United Kingdom Government, stated in June 1937 that vast stores of oil had been accumulated for the Navy, that decisions had been taken to provide or store up some of the most important of the raw materials required by industry in war-time, and that considerable supplies of some of these materials were already available for any emergency. Yet even making every allowance for hidden purchases, the evidence cannot be said to show any clear direct connexicn between re-armament and the rise in prices. The group of commodities most directly affected by armament demand was undoubtedly that of the metals used for special steel alloys essential to the manufacture of guns, munitions and armour plating. Yet nickel and molybdenum were unchanged in price, and wolfram and antimony were among the very few commodities whose price actually fell during 1936 (respectively from 35*s.* 6*d.* to 33*s.* per unit, and from £66 10*s.* to £60 per ton).

Furthermore, the apprehension of possible war gave rise to an adverse secondary influence upon international prices—the efforts towards greater national self-sufficiency, through the exploitation of local resources, even at very high cost, and through the development of synthetic substitutes for natural products. It was suggested that this movement was stimulated both by the experience of sanctions in the Abyssinian episode[1] and by the neutrality legislation in the United States. This legislation, as it was passed in 1936, had two main principles in relation to trade in war-time: a complete and mandatory embargo on the export of actual munitions to either belligerent, and a provision that the export of raw materials to either belligerent should be on a cash-and-carry basis only.[2] The latter provision was generally recognized to be decidedly favourable to the Western Powers of Europe, with their large reserves of gold and foreign assets, their ample merchant fleets, and their naval command of the Atlantic routes, by comparison with the Central Powers of the same continent; and this contrast may have had some reflection

[1] See the *Survey for 1935*, vol. ii, pp. 424–35.
[2] See *op. cit.* pp. 239 *seqq.*

in the different economic policies of those two groups. On the one hand the British Government, while seeing to the accumulation of relatively small supplies of raw materials necessary for armament industries, and while taking measures to improve the fertility and output of the soil, specifically repudiated the policy of trying to put either industry or agriculture on a war-time basis in time of peace. They appeared to rely mainly upon the naval and mercantile command of the seas, and upon political association with most of the greatest raw-material-exporting countries of the world, for securing war-time supplies of materials and foodstuffs. On the other hand, the German Government continued to lay the greatest stress upon their self-sufficiency policy as a strategic insurance. On the 9th September, 1936, Herr Hitler issued a proclamation to the National-Socialist Party rally at Nuremberg, in the course of which, after enlarging upon Germany's demand for colonies, he said:

> Within four years Germany shall be independent of all foreign countries in respect to all those materials which she can produce at home by means of German ingenuity and our mining, engineering, and chemical industries. When the process of rearmament is completed the labour now employed therein will be diverted into productive channels through the development of the great new German raw material industries. We hope that in this way production will be stimulated in many spheres so that we can devote our export surplus to purchases of food and indispensable raw materials.

The execution of the Four-Year Plan, which was committed to the charge of General Göring, officially began in February 1937. In his speech to the Reichstag on the 30th January, the Führer had described it as the first and most important part of their task, and on the 21st February he returned to the theme in a speech at the opening of the Berlin Motor Exhibition.

> Germany must be made independent of the raw materials necessary for the new cars—not only the fuel, but also the materials for the parts. We shall succeed in this as we have done in other things.
>
> I shall succeed in realizing all that I had in mind. We have succeeded in making benzine from coal, and synthetic rubber, and we have plenty of iron-ore in our country. We also have enough coal.
>
> We must make the motor-car industry completely independent of foreign imports. Either German industry as a whole is capable of solving these problems, or it is not capable of existing as an independent organization. Naturally, however, we shall not cease to foster our foreign trade relations.

A great deal of importance lay in the last sentence. For, in spite of more than two years of strict official control of imports,[1] Germany

[1] For a brief account of this system of control see the *Survey for 1933*, p. 97, and the *Survey for 1934*, p. 45.

had not succeeded in substantially reducing her dependence on foreign sources of supply of food-stuffs and raw materials. In 1936, of her Rm.4,220,000,000 of imports, 35·5 per cent. consisted of foods and animal fodder, 37·3 per cent. of raw materials, 17·8 per cent. of semi-finished products, and only 9·4 per cent. of finished products. Neither the absolute amounts nor the proportions had changed much between 1935 and 1936. It was, in fact, only in regard to grains and textiles that Germany's devotion to *autarkeia* appeared to have had any striking measure of success in reducing imported supplies. In 1933 Germany had imported 234,000 tons[1] of wheat, in 1936 only 26,000 tons. In the same interval her imports of barley fell from 158,000 to 58,000 tons. Meanwhile, however, an export surplus of 25,000 tons of rye had been turned into an import surplus of 23,000 tons. Moreover, a bad crop in 1935 was followed by another in 1936, with the result that after exhausting her domestic supplies she became again a very heavy importer of bread grain in 1937. In regard to textile raw materials the achievement was of a more durable kind. Between 1933 and 1936 imports of cotton were reduced from 417,000 to 237,000 tons, and of wool from 136,000 to less than 85,000 tons (greasy). In the same interval the domestic output of wool rose from 5,000 to 6,000 tons, and of flax and hemp from 3,000 to 40,000 tons. The fibre-material content of rags reclaimed—roughly 45,000 tons in 1933—was trebled. The production of rayon and staple fibre rose from 33,000 tons in 1933 to about 100,000 tons in 1936. Scarcely any textile materials were being woven in Germany without an admixture either of reclaimed or of synthetic fibres. Nevertheless, part of the 1936 economy of imports had to be achieved through a reduction of stocks, amounting to between 5 and 10 per cent. of the total requirements of the German textile industry,[2] a process that was necessarily non-recurrent.

Of the food-stuffs other than grain, coffee showed an increase of imports from 130,000 tons in 1933 to 155,000 tons in 1936. There were, on the other hand, reductions—though very small reductions—in imports of cocoa and tea, while an import surplus of 10,000 tons of sugar became an export surplus of nearly 4,000 tons—though this was a very small fraction of the exports of sugar that Germany had provided in some earlier years. In the group of metals there was scarcely any trace of success in doing without imports, though a large economy in the money-cost of imports was achieved—no doubt

[1] Tonnages are given in metric tons.

[2] The figures relating to textiles, except those for imports, are taken from the Institut für Konjunkturforschung's weekly report of the 24th March, 1937.

at the expense of higher costs at home—through a systematic diversion of purchases towards raw supplies at the lowest stages of production. Thus, while imports of refined zinc fell sharply, between 1933 and 1936, from 46,000 to 14,000 tons, and imports of raw zinc rose only from 55,000 to 59,000 tons, an export surplus of 22,000 tons of zinc ore became an import surplus of 102,000 tons, thanks to the fact that the Silesian output was no longer sent to Polish refineries but was smelted at home. Similarly, while imports of metallic copper rose only from 120,000 to 124,000 tons, imports of copper ore rose from 230,000 to 477,000 tons. Imports of metallic tin were reduced from 11,000 to 8,000 tons, but imports of tin ore rose from 400 to over 1,500 tons. Equally significant were the greatly increased imports of bauxite, which rose from 239,000 to 981,000 tons; for the National-Socialist Government used every means to promote the replacement of other metals by aluminium (which could be produced with German capital and labour from raw material that was accountable for less than 10 per cent. of the total cost of production). Lead formed a notable exception to the rule of an increased proportion of ore to refined metal in Germany's purchases. Imports of lead ore rose from 97,000 to 99,000 tons, but imports of lead itself rose much more sharply, from 22,000 to 68,000 tons, the reason ascribed being the scarcity of available supplies of ore, as a result of the mining companies' policy of refining ore themselves or of entering into long-term contracts with refiners.

In the group of raw materials most closely associated with armaments—ferrous metal and the constituents of special steel alloys—there was as yet no sign of success in the achievement of self-sufficiency. Imports of iron ore rose from 4,572,000 to 18,469,000 tons between 1933 and 1936, of chrome ore from 48,000 to 123,000 tons, and of nickel, tungsten ore and other steel-alloy metals from 16,000 to 46,000 tons. It was announced in July 1937 that a new company, the Reichswerke A.G. für Erzbergbau und Eisenhütten 'Hermann Göring', had been formed for the development, within the framework of the Four-Year Plan, of the recovery of iron from German ores. The iron ores of South Germany, though extensive, had been almost entirely neglected by private enterprise, owing to their low metallic content. The company, which was created under the auspices of the state but looked for the participation of private capital, would begin operations in the Salzgitter district of Brunswick, where three smelting works were to be erected, and would later extend its activities in Brunswick and Franconia. Capital would be raised as required.

The last group of commodities to be considered in relation to the task of the Four-Year Plan is the group associated with the motor industry—oil and rubber. Imports of crude oil rose between 1933 and 1936 from 281,000 to 579,000 tons, of petrol from 997,000 to 1,281,000 tons, of gas oil from 456,000 to 1,068,000 tons, and of rubber from 55,000 to 73,000 tons. Small wonder was it that the Four-Year Plan paid special attention to this part of Germany's needs. In May 1937 an import duty of Rm.125 per 100 kilogrammes was imposed on all rubber and gutta-percha, which had previously entered duty free. As the cost of crude rubber at Hamburg was at that time Rm.118 per 100 kilogrammes, the duty was equivalent to more than 100 per cent. *ad valorem*. Its proceeds were to be devoted entirely to the building of more works for the manufacture of 'Buna' (synthetic rubber). As for oil, the search for oil supplies in Germany was subsidized, but the chief effort was directed to the production of oil from coal. In the January and February of 1937 loans totalling Rm. 122,000,000 were raised from the German market to finance the construction of hydrogenation plants. It was reported that 50 per cent. of Germany's oil needs were already being supplied from her own resources.

This survey has suggested that the direct and immediate effect both of buying for armaments and of attempts at self-sufficiency upon the general commodity price level could easily be exaggerated. The indirect effect of armament expansion cannot be dismissed as lightly. How far was that expansion responsible (through the well-understood inflationary process of budget deficits or requisitioning of credits) for the general acceleration of industry and the enlargement of purchasing power all round? There can be no answer for the world as a whole; for both the date of the armament expansion and its incidence upon the normal economy of the nation varied enormously from country to country. It must be remembered that the inflationary effect of a modern armament programme upon the general national economy necessarily followed a rather different curve from the actual volume of governmental expenditure (budgetary and extra-budgetary) on the programme itself. In an imaginary case, an aircraft firm might be guaranteed new orders totalling £5,000,000 spread evenly over five years, on which its gross profit margin would be round about 20 per cent. The firm might then feel justified in incurring, before the work actually began, a capital expenditure of, say, £1,000,000 on expansion of plant, to be amortized over ten years. While, therefore, the Government's expenditure would rise from nil in the first (pre-programme) year to a constant

rate of £1,000,000 per annum for the next five years, the actual augmentation of purchasing power (including profits and interest as well as wages, salaries and cost of raw materials) would be £1,000,000 in the first year, and would then fall to £900,000 for the next five years, leaving half-a-million of medium-term capital still to be redeemed. In the case of a 'shadow factory' (constructed for the contingent, not actual, manufacture of military supplies, whether by the Government themselves or under an official guarantee against loss to the firm responsible) the rise and dip of the curve of augmented public purchasing power would display an even sharper contrast to the plateau-like graph of Exchequer outlay.

In general, it could be reasonably assumed that the influence of armament expansion on trade revival in any country reached its peak sooner and more suddenly than the armament expenditure itself. On that assumption, the peak would seem to have been attained in Germany about the middle of 1935, and in Great Britain at the end of 1936 or in the earlier months of 1937. A useful indication of the place of rearmament in trade revival may therefore be given by a comparison between the German and British indices of industrial production for those years.

QUARTERLY INDICES OF INDUSTRIAL PRODUCTION[1]

(1929 = 100)

	1934	*1935*			
	Average.	I	II	III	IV
Germany	79·8	85·9[2]	93·6	97·1	98·8
United Kingdom	97·8	104·1	102·8	102·1	111·2

	1936				*1937*
	I	II	III	IV	I
Germany	94·3	106·6	110	112·8	108·1
United Kingdom	113·4	113·2	112·2	121·8	121·6

Perhaps the most striking feature of this comparison is the much greater rapidity of the advance in Germany. Nevertheless, in relation to 1929, the position attained in Germany at the end of the period was still much inferior to the position in the United Kingdom, largely because by 1935 the latter had already experienced two years

[1] Germany: Institut für Konjunkturforschung (excluding food, drink and tobacco); United Kingdom: Board of Trade.

[2] Excluding Saar Territory.

of recovery, whereas the German industrial revival dated only from the end of 1934. In each country, it may be noted, there were two big steps on the ladder of recovery in 1935 and 1936: the German index rose by 9 per cent. between the first and second quarters of 1935, and by 13 per cent. between the first and second quarters of 1936; the British index rose by 9 per cent. between the third and fourth quarters of 1935, and by 8½ per cent. between the third and fourth quarters of 1936. Thus in each country it was the smaller of the two steps that coincided with the date that has been ascribed above on *a priori* grounds for the moment of most rapid expansion of trade activity through rearmament. This suggests that other forces besides rearmament were playing an important part in expanding purchasing power. In Great Britain, certainly, the housing boom preceded and exceeded the armament boom. Nevertheless, the fact that the *a priori* assumption as to dates of expansion appears to be borne out by the figures suggests that no error is made in ascribing to rearmament a considerable part of the stimulus to general industrial activity in Western countries, and therefore indirectly to higher prices for industrial raw materials.

The rise in prices had, in fact, a dual relation to the industrial economies and the defence policies of the great nations of the world. On the one hand, the greater activity of industry, the special needs of armament manufacturers and the pursuit of self-sufficiency had their effect on the general price level. On the other hand, the rise in prices affected the prosperity and prospects of industry and altered the economic basis of self-sufficiency programmes. The consequences of higher prices were, of course, different for different countries, according to their position as manufacturers or as primary producers, as creditors or as debtors. Three main groups may be distinguished: the countries, being almost exclusively international debtors, that exported the food-stuffs and raw materials whose prices had risen; the importing countries that were also creditors, with a capitalist stake in the first group; and the importing countries that had no such stake or were actually debtors to the rest of the world. These groups of countries may be described as the producers, the investor-consumers, and the debtor-consumers. The 'producers' found the value of their exports increasing, and, although the increased purchasing power of their populations automatically entailed higher imports, their credit balances of trade were enlarged. Those 'producers' whose external indebtedness took the form mainly of share-investment in their industries paid out much of the extra trade surplus in dividends; those whose debt was of the fixed-interest type

were able to build up reserves of foreign assets, to pay off debt, or to increase their visible and invisible imports. The trade figures of some of the principal 'producer' countries are tabulated below.

IMPORTS AND EXPORTS OF CERTAIN COUNTRIES BY VALUE
(in millions)

Country.	*Currency.*	*1934*		*1935*		*1936*	
		Imp.	*Exp.*	*Imp.*	*Exp.*	*Imp.*	*Exp.*
Australia .	£ Aus.	82·8	98·1	95·4	113·2	107·6	125·5
New Zealand	£ N.Z.	30·8	46·8	35·8	46	43·6	56·3
India . .	Rs.	1,252	1,483	1,343	1,571	1,223	1,805
Argentina .	paper pesos	1,109	1,438	1,165	1,569	1,117	1,645
Brazil. .	milreis	2,503	3,460	3,856	4,104	4,268	4,896
China . .	standard dollars	1,030	535	919	576	941	706

The 'consumer' countries who were at the same time creditors of the producers were compensated for the higher prices that they had to pay for their imports by the better return on their external investments. The first of the countries in this group was the United Kingdom. Her imports of merchandise rose from £731,000,000 in 1934 to £756,000,000 in 1935 and to £849,000,000 in 1936, while her exports of merchandise rose in those years from £447,000,000 to £481,000,000 and £501,000,000 respectively. After adjustment for imports and exports of silver, the debit balances of trade were £294,000,000 in 1934, £261,000,000 in 1935, and £347,000,000 in 1936. Net national shipping income, however, was estimated to have risen from £70,000,000 in 1934 to £75,000,000 in 1935 and to £95,000,000 in 1936, and net income from overseas investments to have risen from £170,000,000 in 1934 to £180,000,000 in 1935, and to £195,000,000 in 1936. The estimated increase of £50,000,000 in these two credit items between 1934 and 1936 was almost an exact counter-balance to the £53,000,000 increase in the debit balance of trade in merchandise and silver, for which the rise in prices was largely responsible. The total value of imports of food rose by 8·1 per cent. between 1935 and 1936, their volume by only 2·8 per cent.; imports of raw materials rose by 17·7 per cent. in value and by 11·1 per cent. in volume; while imports of manufactures rose by 15 per cent. in value and by 11·6 per cent. in volume. At the same time there was an immense influx of short-term capital which was balanced by imports of gold. Similar general conditions held good in the United States, the second of the great creditor countries of the world, though here the position was complicated by the fact that the United States was a considerable

exporter as well as importer of raw products. In semi-manufactured and fully manufactured goods she had an export balance of trade amounting to $563,000,000 in 1934, $529,000,000 in 1935, and $591,000,000 in 1936. In raw materials and foodstuffs (both raw and manufactured) she had an import balance of trade amounting to $99,000,000 in 1934, $325,000,000 in 1935, and $595,000,000 in 1936. Hence her net credit balance of merchandise trade was reduced from $464,000,000 in 1934 to $204,000,000 in 1935, and almost to nil in 1936, largely as a result of the higher prices that she had to pay for imported primary products while her own exports in that category remained almost stationary in total value.

Of the other 'creditor consumers', France was in a special category in that the change in her monetary policy and the impact of her internal economic reforms had an effect upon her balance of trade out of proportion to general world influences. Nevertheless, the fact that her imports, which had fallen from 23,100,000,000 francs to 20,900,000,000 francs in 1935, rose to 25,400,000,000 francs in 1936 may be partly ascribed to the rise in the prices of raw commodities. Retained imports of the Netherlands rose from 936,000,000 florins in 1935 to 1,017,000,000 florins in 1936, while exports rose from 675,000,000 to 746,000,000 florins. In Belgium, where devaluation had been carried through earlier, imports rose from 17,100,000,000 to 21,100,000,000 francs between 1935 and 1936, while exports rose from 15,800,000,000 to 19,700,000,000 francs. Both these creditor countries, therefore, escaped any large increase in their debit balances of trade.

The effect of rising prices on trade balances is thus seen to have been neither uniform nor simple. The course of Germany's external trade—Germany being the chief representative of the 'consuming' countries that were debtors rather than creditors of the rest of the world—was not precisely what might have been expected in the light of the facts that her necessary imports were costing her more per unit of volume, that her self-sufficiency plans had not yet reached a high level of success, and that her internal recovery was largely stimulated by non-productive outlay of state money.

GERMANY'S EXTERNAL TRADE 1933-6
(in millions of Reichsmarks)

	1933	*1934*	*1935*	*1936*
Imports . .	4,204	4,451	4,159	4,218
Exports . .	4,871	4,167	4,270	4,768
Balance . .	667	−284	111	550

The rise in commodity prices showed some small effect upon the total value of imports in 1936; but the most striking element in the statistics was the rise in German exports. How was this achieved, in the face of higher costs of production unrelieved by the currency depreciation that had favoured the export trade of most of Germany's competitors? Part of the answer is to be found in conditions outside Germany; for a rising industrial activity and an increased private purchasing power both in primary producing and in industrial countries had their due effect on demand for German products, especially in such trades as electrical engineering. But the answer is completed only by reference to the system of regimented supply and demand current under the National-Socialist Government.

> The foreign exchange situation brought about a scarcity of significant import raw materials. The scarcity was increased by the rising demand and led to an increase in the prices of import raw materials, far in advance of the world market development. This increase had to be prevented in the interest of the economic development as a whole. . . . Of course this price regulation soon required an extensive system of supervision, which controlled not only the prices of various turnovers of these commodities, but which also at the same time undertook the regulation of supply and demand. . . . Thus the rank of purpose of utilization is no longer determined by the price, but by the supervisory boards, which are directed in their decision by considerations of general economic policy. . . . The rank of utilization of industrial raw materials and products is in general as follows:
>
> First of all comes export: demands of industries engaged in export trade are considered the most urgent and will be satisfied first. Then come Government projects in which the Army and—since the autumn of 1936—the Four-Year Plan play the leading parts. Third come special *social* problems (as far as they are not contained in the second group); these problems include workers' and farmers' settlements. Not until after the requirements of these three groups are satisfied is utilization for purely private purposes considered.[1]

Exporters were further favoured in the distribution of Government orders. A levy on industry provided funds for a direct subsidy to exports, and premiums were also forthcoming through the use of various kinds of 'blocked marks' which their holders were willing to dispose of at a discount. Some short-term creditors of Germany themselves undertook the manufacture and utilization or marketing abroad of German shipping or industrial products as the only means of realizing their assets in Germany.

The figures for Italy—a country frequently classed with Germany as one of the 'have-nots' in respect of raw materials and food-

[1] Weekly report of the Institut für Konjunkturforschung, No. 21/22, 2nd June, 1937.

stuffs, but not sharing Germany's position as a great debtor country —were distorted by the application of economic sanctions and Italian counter-measures. Italy's imports fell from 7,800,000,000 lire in 1935 to 6,000,000,000 lire in 1936, while her exports—sharply stimulated in the later months of the year by the devaluation of the lira —rose from 5,200,000,000 to 5,500,000,000 lire. In 1937, with average prices running on a much higher level, Italy began to renew the reserves of raw materials that she had exhausted during the sanctions period. In the first four months of the year her imports totalled 4,200,000,000 lire, while her exports, though also rising steeply, fell short of that figure by over 900,000,000 lire—nearly double the adverse balance for the whole of 1936.

The rise in raw commodity prices, with its contrasting effect upon the economies of different producing and consuming countries, lent all the sharper point to the discussions at Geneva on the problem of access to raw materials. The need for an inquiry into this problem had been suggested by Sir Samuel Hoare in his speech to the League Assembly on the 11th September, 1935, and again by Mr. Eden in the House of Commons on the 24th February, 1936.[1] The question was brought up at the League Assembly of September 1936, on British initiative, and in January 1937 the League Council appointed an expert committee to deal with it. The committee, which opened its meetings on the following 8th March, comprised experts from fifteen countries, including two countries outside the League, Japan and the United States, but not including Germany, who refused an invitation to nominate a member. After five days' sessions the committee adopted an interim report, as the starting-point for more detailed inquiry by sub-committees. At no stage, said the report, had the committee regarded it as one of its functions to discuss the distribution of territories from which raw materials were drawn. It had been pointed out in the committee's discussions that no country or empire in the world was self-sufficing, and that even the transfer of whole continents would not solve the raw materials problem in the sense of giving the countries that regarded themselves as 'have-nots' the control of raw materials and food-stuffs that would amply suffice for all their needs. The committee recognized that, although a number of important raw materials were derived from colonial and mandated territories, most raw materials were produced wholly or largely in sovereign countries; and that the inquiry could therefore not be restricted to colonial products. On the proposal of the British expert, Sir Frederick Leith-Ross, the committee had agreed—though

[1] See the *Survey for 1935*, vol. i, pp. 340–1.

not without opposition—to include food-stuffs as well as industrial raw materials within the scope of its inquiry. It appointed three sub-committees: one to conduct a statistical inquiry into the facts of the production, importation and prices of a list of raw materials and food-stuffs, the second to examine the situation in the producing countries in regard to control of access to, or production or export of, such materials, and the third to examine the situation on the importing side, that is to say the means of purchasing and paying for imported materials, having regard to such questions as balances of payments, lack of foreign currency, control of the transfer of money, customs and preferences, bounties and subsidies, and the question of the 'open door' in colonial territories. Having appointed these sub-committees, the committee adjourned for several months.

(*d*) Conclusion

Though the economic world of 1936–7 was still barely convalescent from the sickness of depression, these pages have revealed it as a very different world from that of the characteristically depressed years. Many of the symptoms of depression still marked its appearance, yet already it was time to ask whether those symptoms had not become lasting blemishes, whether the face of international economics had not been permanently changed, since the pre-depression days, by nearly a decade's impress of long-term forces, as well as by the cyclical action of the depression itself. That commodity prices had not yet recovered to the levels of 1929, in spite of the almost universal depreciation of currencies, might be taken by some as a sign that the advance from slump to boom was still far from complete; by others it might be taken as a sign that the long-term fall of commodity prices since the War of 1914–18 was still proceeding. Likewise the relative cheapness of money in the London and New York markets, for both short and long borrowings, might be regarded either as a symptom of continued depression and a deliberate instrument of recovery, or as evidence of a lasting decline in the long-term rate of interest. Similar speculations might be made with regard to the height of tariff barriers, the nature of restrictive systems—both import quotas and export or production quotas—or the failure of world trade to climb within 10 per cent. (by volume) of the level reached by general industrial activity. If, indeed, the economic world was already out of the wood, it had certainly not emerged on the same side as that from which it had entered.

Whether it was yet out of the wood or not, its problems were certainly quite different from those that it had been facing only two

or three years previously. The problem of controlling the excesses of a boom and of preventing it from turning into a sudden slump was now incipient if not already actual. Unemployment had once more become a problem by itself instead of an aspect of the problem of escaping from depression. It had, at the same time, become part of another general problem, the problem of turning business revival to the best advantage in raising the economic status of the ordinary man, whether through social services, through greater stability of economic life, or through higher real wages, shorter hours and better conditions of work. And that in turn was part of a still wider problem, the problem of turning business revival to the best advantage in making nations as well as individuals contented, and in promoting the conditions in which world peace might be preserved.

PART III
EUROPE

(i) The German Military Reoccupation of the Rhineland and the Subsequent Negotiations between the Locarno Powers

(a) The Immediate Antecedents of the Events of the 7th March, 1936

In the preceding volume of this series[1] some account has been given of the circumstances in which the Franco-Russian Treaty of Mutual Assistance of the 2nd May, 1935, was signed and of the objections to the treaty which were raised by the German Government. The legal arguments on which Germany based her contention that the terms of the Franco-Russian Treaty were incompatible with those of the Treaty of Locarno were contested by the French Government—whose counter-arguments were accepted as valid by the Governments of Great Britain and Italy, the guarantors of the Rhineland Pact—but the German Government's political objections to an agreement which they regarded as an attempt to encircle Germany increased rather than diminished with the passage of time.

In the middle of January 1936 Monsieur Laval, who had signed the treaty of the 2nd May, 1935, with some reluctance, and who had then delayed the process of ratification for eight months, let it be known that the treaty would be submitted for parliamentary approval in the course of the next few weeks, and this announcement gave a new impetus to the campaign against the pact in the German press. The Franco-Russian Pact itself had recently had less attention devoted to it in the columns of the German press, and criticism had been directed rather towards the conversations between the French and British military, naval and air staffs which had begun at the end of October 1935.[2] These conversations had been concerned with the problems of Franco-British co-operation in the event of an Italian attack on the British fleet in the Mediterranean, but German commentators professed to believe that the experts had also discussed the question of co-operation in the event of France becoming involved in hostilities with Germany.[3] The conversations were therefore taken as additional justification for the accusation that other signatories

[1] The *Survey for 1935*, vol. i, Part I, section (iv).

[2] See the *Survey for 1935*, vol. ii, p. 266.

[3] This allegation was explicitly denied by the British Government in a memorandum of the 22nd January, 1936 (*op. cit., loc. cit.*, footnote).

of the Locarno Treaty were acting in a manner which was not consistent with their obligations, and it was argued that with the ratification of the Franco-Russian Pact the Locarno arrangements would be completely invalidated and Germany would be free in her turn to take steps which were not compatible with the terms of the Rhineland Pact. The provision of the Locarno Treaty to which these hints referred was, of course, the clause in Article 1 which provided for 'the observance of the stipulations of articles 42 and 43 of the [Versailles] Treaty concerning the demilitarized zone'.

On more than one occasion since his advent to power Herr Hitler had publicly drawn a distinction between the Versailles Treaty, which had been imposed upon Germany, and the Locarno Treaty, which she had negotiated and signed of her own free will, and even since the signature of the Franco-Russian Treaty he had reaffirmed his intention of observing the terms of the Rhineland Pact. In his speech before the Reichstag on the 21st May, 1935,[1] he had declared that his Government would 'scrupulously maintain every treaty voluntarily signed, even though it was concluded before their accession to power and office. In particular, they [would] uphold and fulfil all obligations arising out of the Locarno Treaty'. This promise, however, was subject to the reservation 'so long as the other partners are on their side ready to stand by that pact', and the German thesis that the Franco-Russian Treaty infringed the terms of the Locarno Treaty brought the unilateral denunciation of the latter treaty on the 7th March, 1936, within the scope of this reservation in German eyes. In the light of after-events, special significance could also be read into the next sentence of Herr Hitler's speech: 'In respecting the demilitarized zone the German Government consider their action as a contribution to the appeasement of Europe, which contribution is of an unheard-of hardness for a sovereign state.'

Notwithstanding the reservation, Herr Hitler's reference to the Locarno Treaty in this speech helped to counteract the effect which was produced on other countries by the German campaign against the Franco-Russian Pact and the Franco-British staff conversations. Right up to the 7th March, 1936, the general impression, at any rate in England—and this apparently in official circles as well as among the public—was that Herr Hitler was unlikely to commit an open breach of a treaty whose validity he had so recently reaffirmed. It was expected that he would confine himself to the submission, after the ratification of the Franco-Russian Pact, of a formula in which

[1] See the *Survey for 1935*, vol. i, Part I, section (vi) (*h*); and, for extracts from the speech, *Documents on International Affairs, 1935*, vol. i, pp. 159–75.

he would intimate that Germany no longer considered herself bound by Articles 42 and 43 of the Versailles Treaty and Article 1 of the Locarno Pact; and the assumption was that the question of the future status of the demilitarized zone would then be decided through the medium of international negotiations. This impression was strengthened as a result of a series of informal conversations which took place at the end of January 1936, when the rulers and statesmen of many nations were assembled in London in order to attend the funeral of King George V. The possibility of a German denunciation of the Locarno Treaty was one of the topics of discussion on this occasion between representatives of the Locarno Powers, and it was mentioned in particular in an interview which the German Foreign Minister, Freiherr von Neurath, had with the British Foreign Minister. Herr von Neurath was understood to have refrained from giving Mr. Eden any specific undertaking that Germany would continue to respect the demilitarized zone, but to have made reassuring references to the existence of the Locarno Treaties and to the value which Germany attached to them.[1] These assurances went far to relieve British anxiety lest Germany might be contemplating immediate action in the Rhineland.

As was natural, opinion in the countries which were divided from Germany by the demilitarized zone was more mistrustful of Herr Hitler's intentions than opinion in Great Britain, and in certain organs of the French and Belgian press the possibility of a military reoccupation of the Rhineland in the not far distant future was seriously discussed. In Belgium, especially, there was some uneasiness in the first half of February on account of reports of increasing Reichswehr activity in the neighbourhood of the demilitarized zone. The danger of sudden German action in the Rhineland was reported to have been taken into consideration when the Belgian Prime Minister, Monsieur van Zeeland, visited Paris in the middle of February and discussed the situation with French Ministers, but the conclusion seems to have been reached that the balance of probabilities pointed to nothing more drastic than a protest. This judgment was based less on any faith in German protestations than on a belief that the organization of the new German Army had not yet reached a stage at which the military leaders would be prepared to run any real risk of encountering armed opposition.[2] Nevertheless,

[1] See the *Survey for 1935*, vol. i, p. 202.

[2] This belief in itself was not ill-founded; it was the assumption that German military opinion would have a decisive influence that proved to be unjustifiable (see pp. 258–9, below).

there was sufficient anxiety in both France and Belgium to ensure a warm welcome for a formal reaffirmation of the British Government's intention to honour their obligations under the Locarno Treaty, in the event of the occupation of the demilitarized zone, which was made in the House of Commons at Westminster on the 12th February. On that day the Foreign Secretary was asked:

> If he would give an assurance that the provisions of the Treaty of Locarno, requiring that this country should immediately come to the help of France or Germany in the event of a flagrant breach by the other of Article 42 or 43 of the Treaty of Versailles concerning the demilitarized zone, would be rigidly adhered to so long as the treaty remained in operation and had not been abrogated by general consent of the parties.

Mr. Eden's reply was:

> The obligations of His Majesty's Government are specified in the Treaty of Locarno itself. His Majesty's Government stand by those obligations and, as has been previously stated in this house, intend, should the need arise, faithfully to fulfil them.

On the 11th February, 1936, the day before this statement was made in London, the Sarraut Government (which had succeeded the Government of Monsieur Laval on the 24th January) had laid the Franco-Russian Pact before the Chamber for ratification and a large-scale debate on foreign affairs had begun. Monsieur Henry Torrès, the *rapporteur* on the pact, in his speech recommending it for acceptance, laid stress on the compatibility of the pact with the League Covenant and the Locarno Treaty, and the same point was made by the new Foreign Minister, Monsieur Flandin, when he addressed the Foreign Affairs Committee of the Chamber on the following day. While Monsieur Flandin dismissed as grotesque Germany's efforts to prove that the Franco-Soviet Pact would invalidate the Locarno Treaty, he referred to the possibility of a German denunciation of the Locarno Treaty in terms which showed that the Government were alive to the danger but did not consider it a matter of great urgency. He intimated that the line of action to be taken in such an event would shortly be decided on by the Government, who would then notify the British Government of the conclusions which they had reached. Throughout his statement Monsieur Flandin emphasized the importance which his Government attached to the maintenance of close co-operation between France and Great Britain.

The debate on the Franco-Russian Pact in the Chamber proceeded in a leisurely manner, and there were several adjournments before

the vote was taken on the 27th February. The discussions afforded additional proof that the pact was very far from being popular with all sections of French opinion, but the fact that the debate was taking place to the accompaniment of a running fire of hostile German comment[1] weakened the opposition, and the Chamber finally approved the pact by a majority of 353 to 164. On the 25th February, in the last stages of the debate, Monsieur Flandin replied on behalf of the Government to the criticisms which had been made by several speakers, and in the course of his speech he made the important declaration that the French Government were ready to submit the question of the compatibility of the pact with the Locarno Treaty to the Permanent Court of International Justice, and to abide by the decision of the Court.

The vote in the French Chamber on the Franco-Russian Pact was not the last formality which had to be fulfilled before ratification could take place, but the size of the Government's majority was sufficient indication that the Senate would approve the pact in its turn. The Bill providing for ratification was laid before the Senate on the 3rd March, and on the 4th the Foreign Affairs Committee of the Senate approved it in principle. The general debate was expected to begin on the 12th March and to last for some days, and no step from the German side was anticipated until the process of ratification had been completed.[2] On the 1st March a Franco-British exchange of views on the situation had taken place, when Mr. Eden had stopped in Paris on his way to a meeting in Geneva of the Committee of Eighteen which was dealing with the Italo-Abyssinian crisis, but there was apparently no sign either in Paris or in Geneva, where there were further opportunities of discussion, of any feeling of

[1] The tone of German press comment on the pact had been growing more and more bitter since Marshal Tukhachevsky, the Inspector-General of the Soviet Army, had arrived in Paris in the second week of February for a week's stay, in the course of which he had interviews with the Ministers for War, Air and Marine, and with the French General Staff. It was an added grievance in German eyes that the French and Russian Governments appeared in these conversations to be taking steps to implement the pact before it was in force.

[2] The Senate actually ratified the pact, after a short debate, on the 12th March. It was clear that a substantial minority disliked the pact in itself, but many Senators waived their objections in order not to give an impression of disunity in the crisis which had been created by the German action of the 7th March. Only 52 Senators voted against ratification, and there were 231 votes in favour of the Bill, but there were also a considerable number of abstentions.

Ratifications of the pact were exchanged between Monsieur Flandin and Monsieur Litvinov in Paris on the 27th March, 1936, and it came into force on that day.

special urgency in deciding upon the course of action to be followed if and when Germany should denounce the Locarno Treaty.[1]

The feeling that no immediate crisis need be feared was attributable in part to a gesture which had just been made by Herr Hitler himself. On the 28th February—the day after the French Chamber had approved the Bill for the ratification of the Franco-Soviet Pact—the journal *Paris-Midi* published an interview which Herr Hitler had granted a week earlier to Monsieur Bertrand de Jouvenel.[2] In this interview Herr Hitler made an eloquent appeal for a Franco-German *rapprochement*.

> I wish [he said] to prove to my people that the idea of hereditary enmity between France and Germany is an absurdity. The German people has understood this. I have been successful in a far more difficult task of reconciliation—the reconciliation of Germany and Poland.

In answer to the question why he did not revise certain passages in his book *Mein Kampf* which appeared incompatible with the policy that he was now advocating, Herr Hitler reminded Monsieur de Jouvenel that the work dated from the time of the occupation of the Ruhr, and he pointed out that he was not in the position of a writer correcting his book for a new edition. 'If', he said, 'I succeed in bringing about the Franco-German *rapprochement*, that will be a correction which will be worthy to be made. I enter my correction in the great book of History.' After an appeal to France to consider well what she was doing in entering into a pact with Communist Russia, Herr Hitler ended on the note that the responsibility for the future rested with France.

> To-day France can, if she will, put an end for ever to that 'German peril' which your children, from generation to generation, learn to dread. . . . The chance is given to you: if you do not seize it, think of your responsibility towards your children. You have before you a Germany nine-tenths of whose people have complete confidence in their leader, and this leader says to you: 'Let us be friends.'

[1] According to press reports, Mr. Eden took the line that there must be a clear-cut French decision on the best line of action before the British Government could usefully enter into detailed discussions.

[2] It was reported to have been the original intention of Monsieur de Jouvenel, and presumably also that of Herr Hitler, that the interview should be published at midday on the 27th February in time to exercise an effect upon the minds of the deputies who were just about to cast their votes for or against the Franco-Russian Pact. According to the German version, it was at the request of the French Government that publication was delayed. An English translation of a summarized version of Herr Hitler's statement, which had been issued by the *Deutsche Nachrichten Buro*, was published by Dr. F. J. Berber in *Locarno: A Collection of Documents* (London, 1936, William Hodge) and this is reproduced in *Documents on International Affairs, 1936*, pp. 20–2.

The French public, which was not at all likely to be carried away on a tide of German eloquence, received this appeal with a good deal of scepticism; but if there was no inclination to take Herr Hitler's protestations of friendship at their face value, there was also a general realization of the importance of not letting slip any opportunity of relaxing the tension between France and Germany. The Sarraut Government acted with great promptitude in this sense. On the 29th February the French Ambassador in Berlin, Monsieur François-Poncet, was instructed to ask for an interview with Herr Hitler in order that he might inquire on what basis the German Government considered that the suggested *rapprochement* might be brought about. This interview took place on the 2nd March, when Monsieur François-Poncet saw Herr Hitler and Freiherr von Neurath and was informed by them that detailed proposals would be prepared for submission to the French Government. At the German request, this interview was kept secret, and it was not until after the *coup* of the 7th March that the fact that negotiations had been initiated was made known in France—where the German Government's behaviour was naturally condemned as a deliberate manœuvre designed to mislead the French Government and lull them into a false sense of security while preparations were being made for the reoccupation of the Rhineland.[1]

(*b*) The Motives for Germany's Action

On the 6th March a meeting took place in Berlin which was attended by Herr Hitler, leading Cabinet Ministers, and the heads of the fighting services. A similar meeting had taken place a few days earlier, and from information which leaked out subsequently it appeared that the projected reoccupation of the Rhineland, which was the subject of discussion on both occasions, had given rise to a marked division of opinion among those present. The project was said to have been supported by General Göring and Dr. Goebbels and to have been strongly opposed on economic and political grounds by Dr. Schacht and by Herr von Neurath, and on military grounds by General von Blomberg, who was reluctant to place the only partially trained German Army in a position in which it might be obliged either to retreat or to run the risk of a crushing defeat.

Herr Hitler himself was believed to have been much impressed by this expert advice against a *coup*, and to have taken the decision,

[1] For the negotiations between Great Britain and Germany with a view to the conclusion of a Western Air Pact which were in train on the eve of the reoccupation of the Rhineland see the *Survey for 1935*, vol. i, pp. 202–3.

which he did take, to act against it after considerable hesitation and with deep anxiety as to the outcome. It was widely assumed in other countries (although allegations to this effect were declared in Germany to have no basis of fact) that the governing consideration in Herr Hitler's mind when he reached his decision was the urgent need for some spectacular success in the field of foreign affairs which would counteract the feelings of discontent that were threatening the stability of the Nazi régime at the end of a hard winter and at a time of growing financial and economic stringency. The Nazis' previous successes in carrying off breaches of international treaties without serious consequences to themselves no doubt encouraged them to hope that they would win the game again if they played for higher stakes. In estimating the chances that the German bluff might be called by a display of armed force, the extremists whose advice Herr Hitler took were nearer the mark than the French had been when they counted on the restraining influence of Germany's military unpreparedness. The international situation at the moment was, of course, favourable to the success of the German gambler's throw, for it was to be expected that Great Britain and France would shrink from the task of taking strong measures against two Great Powers at once, and while France would clearly be ready to release Italy from the dock in order to enlist her help in coping with a new aggressor, the sudden transformation of the prisoner into the policeman was less likely to commend itself to Great Britain. In these circumstances the Nazis could calculate that France's ingrained aversion to war was not likely to be overcome by any provocation short of the actual invasion of her own territory, and that if France did show signs of reacting too vigorously, she would be held back by Great Britain (where public opinion was rightly expected to feel a certain degree of sympathy for the German case).[1] As for Italy, who would be concerned in a breach of the Locarno Treaty as Great Britain's fellow guarantor, Herr Hitler had probably satisfied himself that however glad Signor Mussolini might be to exchange his rôle, he could be counted upon not to play the part of policeman with undue vigour. During February 1936 there had been an increase of diplomatic activity between Rome and Berlin, and Herr von Hassell, the German Ambassador in Italy, had found it necessary to travel from one capital to the other more than once.[2] These indications of an Italo-German *rapprochement* had naturally given rise to some uneasiness in other countries, and there were rumours

[1] See pp. 276–8, below.

[2] See section (vii) of this part of the present volume.

that Germany was trying to persuade Italy to join her in denouncing the Locarno Treaty. Signor Mussolini, however, had already committed himself to the view that the Franco-Russian Pact was not legally incompatible with the Locarno Treaty,[1] and he seems to have resisted German pressure to abandon this standpoint. In some quarters it was suggested that Herr Hitler's action on the 7th March was actually taken at Signor Mussolini's instigation, and although this suggestion lacked proof there was no doubt that the diversion in the Rhineland came at an exceedingly opportune moment for Italy. If, therefore, Signor Mussolini was in fact informed of Herr Hitler's intentions in advance, there was every reason from the point of view of Italy's immediate interests why he should do nothing to discourage them.

The risk that Germany might incur economic sanctions could also be discounted to a considerable extent in the light of the experience which had been gained during the last four or five months. The 'sanctions front' against Italy was already imposing a severe strain upon the economic structure of Europe, and if the question of a boycott of Germany were to be raised by France it would certainly be difficult, and might well prove impossible, for economic and political reasons, to obtain the consent of all the states who would have to participate in the boycott if it was to be effective. At the same time, the current situation in regard to the imposition of sanctions upon Italy may well have influenced Herr Hitler's decision to act when he did instead of waiting until the process of ratifying the Franco-Russian Pact had been completed. According to a report which was current in Berlin after the reoccupation of the Rhineland had taken place, the German Government had originally decided that the Reichstag should be summoned for the 13th March and that the troops should march into the Rhineland on that day, but the date was put forward at the last moment in consequence of the news from Paris and from Geneva. During the first week of March the question of adding petrol to the list of goods which sanction-taking states might not export to Italy came up again before the Committee of Eighteen at Geneva, and while Mr. Eden pressed for the immediate adoption of the oil sanction, Monsieur Flandin urged that there should be a further delay.[2] German observers seem to have feared that Great Britain, in order to wring from France a reluctant consent to the subjection of Italy to this final turn of the screw, might commit herself to the support of any action which France might

[1] See the *Survey for 1935*, vol. i, p. 89.
[2] *op. cit.*, vol. ii, pp. 336 *seqq.*

desire to take against Germany in the event of a breach of the Locarno Pact. On this view, the German Government's final decision to occupy the demilitarized zone immediately was taken principally in order to forestall a Franco-British agreement on the measures to be taken in such an event, in the hope—which was justified by the sequel—that when France and Great Britain were presented with a *fait accompli*, their views and interests would diverge to an extent that would hamper the adoption of an energetic policy.

If it was considered advisable, for reasons of internal politics, for the Nazi régime to take a risk in the international field in the spring of 1936, the Rhineland was the obvious field for the adventure.[1] As a result of the prolonged press campaign against the Franco-Russian Pact, the great majority of the German people was probably sincerely convinced that the Locarno Treaty had already been broken by France and that the German Government had therefore a legal right to disregard the provisions for the maintenance of the demilitarized zone. Herr Hitler's advisers were certainly right in thinking that the release of the Rhineland from the shackles of Versailles—if it could be effected without unpleasant consequences—would be a highly popular move which could be counted upon to rally the practically unanimous support of the German people—especially if the more moderate sections of opinion were conciliated at the same time by an offer of collaboration with the other Locarno Powers in negotiating a new settlement.

From the point of view of long-range policy also, the reoccupation of the Rhineland presented great advantages. By this third year of the Third Reich's existence it appeared to many foreign observers that if Nazi foreign policy could be said to have any definite aim beyond that of re-establishing Germany's position as a Great Power by opportunist methods, that aim was to secure freedom for Germany to expand eastwards. During recent years, German efforts to attract the successor states of the Hapsburg Monarchy into the German orbit had been making some headway, and if a German hegemony over Central and South-Eastern Europe could be established by peaceful means there would be no legal case for the intervention of France, who was bound by treaties of long standing to come to the assistance of Poland and Czechoslovakia if either of those states should become involved in hostilities with another Power, and who

[1] According to press reports, an invasion of Austria was seriously considered as an alternative, and the possibility of simultaneous *coups* in Austria and the Rhineland was also said to have been examined; but it seems probable that these reports were based on rumours which had little actual foundation in fact. (See the present volume, p. 402, footnote 4, below.)

also had obligations towards Rumania and Jugoslavia in virtue of her treaties of friendship with those Powers. As between Germany and Russia the situation was different. It was Russian territory that offered the greatest scope for German expansion, but the ideological differences between Germany and the U.S.S.R., which were exploited by the Nazis for their own purposes,[1] made it improbable that Germany would gain a foothold in Russia by the process of peaceful penetration. France and Russia had now entered into an agreement which would bring France into the arena if Germany should attempt to settle accounts with Russia by force of arms; and at the same time Czechoslovakia—the member of the Central and South-East European group of states which had shown the least inclination to submit peacefully to German domination—had signed a similar agreement with Russia in order to make sure of Russian as well as French help if there should be an attempt to drag her into the German camp by more drastic methods. Germany's efforts to remove these new obstacles to her expansion by preventing the consummation of the Franco-Russian alliance had proved unavailing; but there remained the expedient of erecting a physical barrier which would hamper the fulfilment of French obligations in Eastern Europe.

One school of expert opinion held that the occupation of the Rhineland by German troops and the erection of a line of fortifications opposite the Maginot Line would make it virtually impossible for France to give effective help to any East-European country against which Germany might make a move; and even if this extreme view was not accepted it was evident that the speed with which France could intervene would be considerably slowed down when the demilitarized zone was abolished. If Germany, in addition to barring France's way, could also succeed in buying off her interest in Eastern Europe by offering the Western Powers a settlement which would guarantee their own immediate security against German aggression, she would have acquired the freedom which she desired for developing her Eastern plans at her own time.

Whether it was these considerations of long range policy or the need for a 'stunt' which decided the course of events in the first week of March, the separation of Eastern and Western Europe certainly appeared to be the ultimate object of the German Government's subsequent manœuvres. In spite of the strong opposition which the project for the neutralization of the West encountered from France, Germany had not, at the end of the year 1936, abandoned hope of

[1] See section (ii) of this part of the present volume.

attaining her aim by one means or another. Meanwhile, she had made better progress along a second line of policy which was a matter of more urgent concern: the prevention of the consolidation of the Western Powers into an anti-German bloc. In December 1936 there appeared to be no prospect that France would accept a Western Pact on German terms, but it was equally improbable that Italy and Belgium would combine with France in a front directed against Germany. As for Great Britain, circumstances had forced her into the position of arbiter of Europe, and it was still not clear what use the British Government would make of the key to the future which thus now lay in their hands.

(c) The Events of the 7th March, 1936, and the Reactions in other Countries

On the evening of Friday, the 6th March, Herr Hitler summoned the Reichstag to meet at noon on the following day in order to hear a statement from him, and at the same time the diplomatic representatives in Berlin of France, Belgium, Great Britain and Italy were invited to come to the Wilhelmstrasse before the meeting of the Reichstag. On the morning of the 7th March the Ambassadors in Berlin were handed copies of a memorandum, which was also communicated during the day by the German Ambassadors in Paris, Brussels, London and Rome to the Governments to which they were accredited.[1] In presenting the memorandum, Herr von Neurath informed the Ambassadors that the military reoccupation of the demilitarized zone had already begun, but he laid stress on the 'symbolic' nature of the occupation. He does not appear, however, to have been able to make an effective reply to Monsieur François-Poncet's inquiry as to why the German Government had decided upon this course instead of submitting the question of the status of the demilitarized zone for peaceful settlement.[2]

This German memorandum of the 7th March, 1936, set out again the German Government's reasons for objecting to the Franco-Russian Pact which had already been explained to the other Locarno Powers.[3] The memorandum continued as follows:

> The latest debates and decisions of the French Parliament have shown that France, in spite of the German representations, is determined to

[1] The text of the memorandum, in its English translation, was published in the Blue Book *Miscellaneous No. 3* of 1936 (*Cmd.* 5143). It will also be found in *Documents on International Affairs, 1936*, pp. 41–5.

[2] Monsieur François-Poncet and the British and Belgian Ambassadors refrained, as a protest, from attending the session of the Reichstag, but their Italian colleague did not follow their example.

[3] See the *Survey for 1935*, vol. i, pp. 84–5.

put the pact with the Soviet Union definitively into force. A diplomatic conversation has even revealed that France already regards herself as bound by her signature of this pact on the 2nd May, 1935. In the face of such a development of European politics, the German Government, if they do not wish to neglect or to abandon the interests of the German people which they have the duty of safe-guarding, cannot remain inactive.

The German Government have continually emphasized during the negotiations of the last years their readiness to observe and fulfil all the obligations arising from the Rhine Pact as long as the other contracting parties were ready on their side to maintain the pact. This obvious and essential condition can no longer be regarded as being fulfilled by France. France has replied to the repeated friendly offers and peaceful assurances made by Germany by infringing the Rhine Pact through a military alliance with the Soviet Union exclusively directed against Germany. In this manner, however, the Locarno Rhine Pact has lost its inner meaning and ceased in practice to exist. Consequently, Germany regards herself for her part as no longer bound by this dissolved treaty. The German Government are now constrained to face the new situation created by this alliance, a situation which is rendered more acute by the fact that the Franco-Soviet Treaty has been supplemented by a Treaty of Alliance between Czechoslovakia and the Soviet Union exactly parallel in form. In accordance with the fundamental right of a nation to secure its frontiers and ensure its possibilities of defence, the German Government have to-day restored the full and unrestricted sovereignty of Germany in the demilitarized zone of the Rhineland.

In order, however, to avoid any misinterpretation of their intentions and to establish beyond doubt the purely defensive character of these measures, as well as to express their unchangeable longing for a real pacification of Europe between states which are equals in rights and equally respected, the German Government declare themselves ready to conclude new agreements for the creation of a system of peaceful security for Europe on the basis of the following proposals:

(1) The German Government declare themselves ready to enter at once into negotiations with France and Belgium with regard to the creation of a zone demilitarised on both sides, and to give their agreement in advance to any suggestion regarding the depth and nature thereof on the basis of full parity.

(2) The German Government propose, for the purpose of ensuring the sanctity and inviolability of the boundaries in the West, the conclusion of a non-aggression pact between Germany, France and Belgium, the duration of which they are ready to fix at twenty-five years.

(3) The German Government desire to invite Great Britain and Italy to sign this treaty as guarantor Powers.

(4) The German Government agree, in case the Netherlands Government should so desire and the other contracting parties consider it appropriate, to bring the Netherlands into this treaty system.

(5) The German Government are prepared, in order to strengthen further these security agreements between the Western Powers, to conclude an air pact calculated to prevent in an automatic and effective manner the danger of sudden air attacks.

(6) The German Government repeat their offer to conclude with the states bordering Germany in the East non-aggression pacts similar to that with Poland. As the Lithuanian Government have in the last few months corrected their attitude towards the Memel Territory to a certain extent, the German Government withdraw the exception which they once made regarding Lithuania and declare their readiness, on condition that the guaranteed autonomy of the Memel Territory is effectively developed, to sign a non-aggression pact of this nature with Lithuania also.

(7) Now that Germany's equality of rights and the restoration of her full sovereignty over the entire territory of the German Reich have finally been attained, the German Government consider the chief reason for their withdrawal from the League of Nations to be removed. They are therefore willing to re-enter the League of Nations. In this connexion they express the expectation that in the course of a reasonable period the question of colonial equality of rights and that of the separation of the League Covenant from its Versailles setting may be clarified through friendly negotiations.

The text of this memorandum was read by Herr Hitler to the Reichstag in the course of his speech,[1] in which he laid stress on the unequal treatment that Germany had received during the past twelve years, and on the repeated endeavours that he had made since his advent to power to erect a bridge of understanding with the French people. At the end of his statement Herr Hitler announced his decision to dissolve the Reichstag in order that the German people might have an opportunity of declaring their approval of the Government's action, and he earnestly appealed to the electors to support him in his fight for a genuine peace.

While Herr von Neurath was interviewing the Ambassadors, and Herr Hitler was speaking in the Reichstag, German troops were taking possession of their former garrisons in the Rhineland. The march had begun at dawn, and during the day detachments of infantry and artillery entered the chief towns and strategic centres in the Rhineland amid scenes of great enthusiasm. According to statements in Berlin, nineteen battalions of infantry and thirteen detachments of artillery, comprising about 35,000 men in all, were moved into the Rhineland during the week-end (7th–8th March), and it was claimed that this was a purely 'symbolic' occupation. There were, however, members of the Landespolizei or 'Green Police', who were believed to number about 30,000, already stationed in the demilitarized zone, and these were incorporated into the regular forces on the 8th March. There were also members of the Labour Corps and of the S.S. and other 'para-military' organizations who swelled the total when it

[1] Extracts from the speech are printed in *Documents on International Affairs, 1936*, pp. 35–41.

was added up on the other side of the Rhine. The estimate of Germany's total military strength in the Rhineland was put at 60,000 in Paris after the week-end, and at 90,000 a few days later, and the idea that the occupation was only symbolic was dismissed as patently absurd.[1]

The news that Germany had torn up the Locarno Treaty and had begun to send troops into the demilitarized zone before she had even notified the other signatories of the treaty of her intentions gave French opinion a profound shock, which was in no way softened by Herr Hitler's offer to negotiate a new pact of twenty-five years' duration and to return to the League of Nations. It was, indeed, regarded rather as an aggravation of the offence that Herr Hitler should propose, in the same breath in which he repudiated one treaty, to enter into another which might be expected to suffer the same fate as soon as it had ceased to serve Germany's purpose. The question for decision in French eyes was not whether the German memorandum constituted a basis for negotiation but how best to put a stop to the method of conducting international relations by unilateral breaches of treaties. In the first reaction French opinion felt little doubt that the Locarno Powers were face to face with a situation to which the terms of paragraph 3 of Article 4 of the Rhineland Pact were applicable. This clause provided:

> In case of a flagrant violation of Article 2 of the present treaty[2] or of a flagrant breach of Articles 42 or 43 of the Treaty of Versailles by one of the high contracting parties, each of the other contracting parties hereby undertakes immediately to come to the help of the party against whom such a violation or breach has been directed as soon as the said Power has been able to satisfy itself that this violation constitutes an unprovoked act of aggression, and that by reason either of the crossing of the frontier or of the outbreak of hostilities or of the assembly of armed forces in the demilitarized zone immediate action is necessary.

The first inclination of the French Government appears to have been to order partial mobilization, and to call upon the other parties to the Rhineland Pact to implement their obligations under the above clause.[3] The weightiest argument in favour of this course of action

[1] A week after the occupation began the German Ambassador in London, Herr von Hoesch, issued a statement to the effect that the total number of troops in the former demilitarized zone, including the organized police force, was 36,500, and that there were no armoured fighting units and no bombing aeroplanes.

[2] i.e. the article by which the contracting parties undertook that they would 'in no case attack or invade each other or resort to war against each other'.

[3] According to one press report a decision to mobilize was actually taken but was revised when information was received from the General Staff to the

was provided by the belief, to which reference has already been made, that the strength of the German Army was still considerably inferior to that of the French Army. A display of force might therefore cause Germany to draw back, and even if it did not have this effect France would be in a better position to deal with the consequences now than she would be at a later stage when the rearmament of Germany would have made more progress. Against this argument was the uncertainty whether the support of the other Locarno Powers could be counted on in circumstances which did not, after all, involve the violation of an international frontier. On reflection, the French Government decided to adopt the procedure which was laid down in the Locarno Treaty for dealing with breaches of the treaty which were not 'flagrant'. This procedure was set out as follows in paragraphs (1) and (2) of Article 4 of the Treaty:

> (1) If one of the high contracting parties alleges that a violation of Article 2 of the present treaty or a breach of Articles 42 or 43 of the Treaty of Versailles has been or is being committed, it shall bring the question at once before the Council of the League of Nations.
>
> (2) As soon as the Council of the League of Nations is satisfied that such violation or breach has been committed, it will notify its finding without delay to the Powers signatory of the present treaty, who severally agree that in such case they will each of them come immediately to the assistance of the Power against whom the act complained of is directed.

The French Cabinet held its first meeting to consider the situation during the morning of the 7th March, while the Reichstag was meeting in Berlin. Monsieur Flandin was instructed to get into touch at once with the representatives of the other Locarno Powers, and he saw the Ambassadors of Belgium, Great Britain and Italy during the afternoon. After these interviews Monsieur Flandin attended another meeting of the Cabinet during the evening of the 7th March at which members of the General Staffs of the Army, Navy and Air Force were also present. At this meeting it was decided that the Council of the League of Nations should be notified immediately of the situation, that the Locarno Powers, other than Germany, should be summoned to meet as soon as possible, that the specialized units in barracks a short distance behind the Maginot Line should be moved up to man the fortifications, and that leave should be suspended, but that no additional conscripts should be called up for service with the colours.

effect that a general mobilization would cost 5,000,000,000 francs. It was believed that an expenditure on this scale would inevitably lead to the devaluation of the franc—a measure which was still regarded as impossible to contemplate.

The Government's decision not to take independent action but to appeal to the League was announced on the same evening by Monsieur Flandin in a statement to the press[1]—an announcement which was received with profound relief in London[2] as well as in Berlin.

On the 8th March the following telegram was despatched from Paris to Geneva:

> By Article 1 of the Treaty negotiated at Locarno to which Belgium, France, the British Empire and Italy are parties with Germany, Germany confirmed, *inter alia*, her intention to observe the stipulations of Articles 42 and 43 of the Treaty of Versailles, which provide for the demilitarisation of the German territory on the left bank of the Rhine and on the right bank of the zone situated between that river and a line drawn fifty kilometres to the east.
>
> In virtue of Article 8 of the Treaty of Locarno, that Treaty cannot cease to have effect otherwise than by a decision of the Council of the League of Nations voting by a two-thirds majority.
>
> Notwithstanding these explicit provisions, the Government of the Reich, by a communication made yesterday to the representatives in Berlin of the signatory Powers, has just repudiated this Treaty by a unilateral act.
>
> Moreover, in reply to a question put by the French Ambassador when this notification was made to him, the Minister for Foreign Affairs of the Reich announced that the German Government proposed to send small detachments into the demilitarised zone as a symbolical act.
>
> In fact, the appearance of considerable military forces is already reported in several localities in the zone.
>
> The German Government has thus expressly violated Article 43 of the Treaty of Versailles and Article 1 of the Treaty of Locarno.
>
> Consequently, in conformity with Article 4 of the last-named Treaty, the French Government has the honour to seize the Council of the League of Nations of the violation thus committed.
>
> In view of the urgency of the matter, I should be obliged if you would take all necessary measures for the Council to meet as soon as possible.

On the same evening a statement on the situation by the French Prime Minister was broadcast through all the French state trans-

[1] In this statement Monsieur Flandin made public the fact that the French Government had opened negotiations with the German Government after Herr Hitler had made his appeal for a *rapprochement* (see p. 258, above).

[2] The French Government's decision to appeal to the League absolved the British Government from taking a difficult decision in their turn. The wording of paragraph 3 of Article 4 of the Rhineland Pact, which has been quoted on p. 266, above, was not altogether free from ambiguity, and it was a question for legal interpretation whether in the event of a decision on the part of France that the breach of Article 43 of the Versailles Treaty which Germany had committed was 'flagrant' and called for 'immediate action', the guarantor Powers would have been bound to acquiesce in this view and fulfil their undertaking 'immediately to come to the help' of the party against which the breach was directed.

mitters.[1] Monsieur Sarraut reviewed briefly the history of Franco-German relations from the end of the General War of 1914–18 down to the eve of the reoccupation of the demilitarized zone, and rejected once more the German argument that the Franco-Russian Pact invalidated the Treaty of Locarno. He pointed out that even if the reasons adduced by Germany for her action had not been without foundation she would not have been entitled to act as her own judge. The Locarno Treaty provided for the submission of any differences between France and Germany to peaceful settlement, and France had already declared that she was ready to take the case to the Hague Court. In regard to the German memorandum of the 7th March, Monsieur Sarraut refused in categorical terms to accept it as a basis for negotiation.

> I shall not [he said] consider these proposals for two reasons. First, because the double example given us by the German Government, within the space of a year, of the unilateral repudiation of solemn engagements can give us no confidence in their new proposals. The second reason is even more obvious. In contempt of the most established law the German Government sent important forces into the demilitarized zone and that without having previously announced their intention of overriding their obligations, and even without having sought to enter into negotiations on the subject. We have been confronted with the *fait accompli* in its most brutal form.
>
> There can be no peace in Europe, no more international relations, if these methods become general. In opposing them we are serving the cause of the European community. The French Government, for their part, are firmly resolved not to negotiate under threats. The very fact that, in contempt of solemn engagements, German soldiers are now stationed on the banks of the Rhine, forbids all negotiation for the moment.
>
> Having conscientiously examined the situation, I declare in the name of the French Government that we intend to see maintained that essential guarantee of French and Belgian security countersigned by the British and Italian Governments which is the Treaty of Locarno. We are not disposed to allow Strasbourg to come under the fire of German guns.

In conclusion, Monsieur Sarraut appealed to the French people for their unanimous support of the Government's action. He suggested that Germany had chosen this moment for her blow not because the French Parliament was engaged in the process of ratifying the Franco-Russian Pact,

> but because it is the time for elections, the campaign for which has virtually opened. The German Government counted upon the atmosphere, or rather the effect of discord, troubles and internal argument

[1] The French text is printed in *Documents on International Affairs, 1936*, pp. 46–51.

that the conflict of political parties might cause among the people. The national confusion coming from internal strife—there lies the explanation of the German Government's sudden decision. They forget yet once more that at every grave hour of our history such confusion gives way to immediate union of French energies, of the will of all parties for the defence of national independence and security.

Much the same ground was covered by a declaration of the Government's policy[1] which was read in the Chamber by Monsieur Sarraut and in the Senate by Monsieur Flandin on the afternoon of the 10th March, but this also struck a rather more conciliatory note towards Germany as well as a note of appeal for the support of other Powers. The declaration emphasized the fact that France was not acting from motives of egoism, or taking her stand on the destruction of guarantees of her own security; she was raising

the crucial problem of the strength of law against the claims of force. No doubt, the violation of the demilitarized zone [was] a threat to French security, but it [was] a much more serious threat to the future of European peace, to the destinies of collective security and of the League of Nations.

The French Government would

put all their material and moral forces at the disposal of the League of Nations . . . on the sole condition [that they were] accompanied in this struggle for peace by those who had pledged themselves to it by the Rhineland Treaty, and in the hope that all the signatories of the League Covenant would, according to their means and in conformity with their obligations, fight by the side of France for an ideal in which they had declared their belief.

Taking a leaf out of Herr Hitler's book, the French Government appealed to the German people to reflect upon the responsibilities which they were undertaking, and gave them an assurance that France never had desired and never would desire to strike at the liberty and honour of Germany. On the question of negotiations, the declaration asserted that the

French Government do not reject negotiations which might consolidate future peace and improve Franco-German relations in the framework of a quiet and peaceable Europe; but France cannot negotiate under the rule of violence and the repudiation of freely-exchanged signatures. . . . The French Government are ready to negotiate with Germany as soon as the respect for international law has been assured once more.

As this statement of policy indicated, the Sarraut Government's decision to lay their case before the League of Nations was taken

[1] The text will be found in *Documents on International Affairs, 1936*, pp. 61–9.

with a strong determination that Germany should not be allowed, this time, to escape with a formal condemnation of her treaty-breaking and a *de facto* recognition of the situation which she had created. During the following months, French policy had three main objects: the extraction from Germany of some reparation for her infringement of her international obligations which would show that she admitted herself to be at fault and which might help to establish confidence in her future good faith; the extraction from Great Britain of guarantees of assistance in case Germany should proceed to a more flagrant act of aggression against France; and the prevention of the attainment of the German aim of separating Eastern and Western Europe by means of a new Western settlement. The idea that Germany must be penalized in some way died hard, and the extreme reluctance of France to consider the possibility of negotiations for a 'new Locarno' until Germany had made at least some 'symbolic' act of reparation was not overcome until a considerable degree of success had been achieved in connexion with the second object of policy. The Sarraut Government gradually narrowed the scope of their demands for reparation and contributions to the restoration of confidence until they were reduced to the single item of a German undertaking not to fortify the demilitarized zone. When Monsieur Sarraut was succeeded in the office of Prime Minister by Monsieur Blum in June even this last demand was dropped, but in respect of the third object of French policy the Blum Government took as firm a stand as their predecessors. During the second half of the year 1936 it was the gulf between the French insistence on the indivisibility of peace and the German desire to secure a free hand in the East which proved impossible to bridge and which hampered the efforts of the British Government to assemble a Conference for the negotiation of a settlement with Germany.

In the policy of taking a firm line with Germany, the Sarraut Government received the strongest support from Russia and from the members of the Little Entente. While French public opinion was naturally inclined at the outset to look upon Germany's reoccupation of the demilitarized zone primarily as a threat to French security, the Government were no doubt always aware that Germany had no immediate intention of attempting to break through the Maginot Line, and that the real importance of the *coup* lay in its effect on the system of collective security—in particular upon the relations between France and Eastern Europe. In any case, France's allies[1] took

[1] The attitude of Poland was somewhat different from that of France's other East-European allies. Poland's chief anxiety was to avoid the fate of being

an early opportunity of correcting any tendency on the part of the French Government to overlook the aspect of the situation which was of concern to Eastern Europe. During the afternoon of the 7th March, Monsieur Flandin saw the representatives of Russia, Czechoslovakia and Jugoslavia, and he was understood to have received from them assurances of the fullest support for any action which France might decide to take. The Russian Ambassador was said to have impressed upon Monsieur Flandin that it was essential to take a resolute stand now, since any condonation of Germany's offence would merely encourage her to commit further breaches of treaty, and the consequences of her next act of aggression might be more difficult to arrest.[1] If there was to be another war with Germany sooner or later, it was clearly in Russia's interest that the conflict should arise over an issue in which the Western Powers were directly concerned and not over an issue which might throw the brunt of the conflict upon the U.S.S.R., and Russia, like France, was also alive to the danger that Germany's armed strength might increase in relation to that of her neighbours if she were left alone to pursue her rearmament programme. From the Russian point of view, therefore, there was a good deal to be said for a preventive war at this stage, and although the Soviet Government vigorously denied that they had any intention of fomenting war, they were among the strongest advocates of the policy of dealing firmly with Germany and refusing to negotiate with her on her own terms.[2]

The policy of Belgium, the other party to the Locarno Treaty who was directly affected by the abolition of the demilitarized zone, was marked from the outset by restraint. The Belgian people, whose outlook on international affairs was coloured by their experiences in 1914, seem to have felt genuine apprehension lest the Germans should be about to violate their territory again, and there was great excitement during the week-end of the 7th–8th March. The Belgian Prime Minister, Monsieur van Zeeland, told the German Chargé d'Affaires, who presented him with a copy of the German Government's memo-

crushed to death in a collision between the Great Powers, and while the Polish Ambassador gave Monsieur Flandin formal assurances that Poland would, if the occasion arose, honour her treaty obligations towards France, there was certainly no disposition in Warsaw to incite France to take any step which might place Poland in the position of having to act upon this promise. (For Poland's policy in 1936 see the present volume, section (iii) of this part.)

[1] This view was also put by the Russian Ambassador in London, Monsieur Maisky, to the Under-Secretary of State for Foreign Affairs, Lord Cranborne, on the 10th March.

[2] See the passages from Monsieur Litvinov's speech to the League Council on the 17th March, which are quoted on pp. 300–1, below.

randum on the morning of the 7th March, that his Government must reserve their attitude completely. Orders were issued for the suspension of leave for regiments in the eastern frontier area, and the Government maintained close contact with Paris and London. On hearing of the French Government's decision to lay the case before the League of Nations, the Belgian Government decided to follow suit, and a short telegram asking that the Council might be convened as soon as possible was despatched to Geneva on the 8th March.

Having thus associated themselves with the French appeal to the League, the Belgian Government proceeded to use their influence on the side of conciliation. The moderation with which Monsieur van Zeeland put forward his very strong case won much sympathy for Belgium, and facilitated the execution of the task which the Belgian Prime Minister took upon himself of acting as 'honest broker' between France and Great Britain at a time when the policies of those two Powers threatened to diverge to a dangerous degree.[1] The military reoccupation of the Rhineland by Germany gave fresh impetus to a movement in Belgium in favour of a policy of detachment from alliances—a policy which would, in the belief of its advocates, reduce the danger that Belgium might become involved in a quarrel which would be no direct concern of hers. In the course of the six months following the German *coup* the Belgian Government came to the conclusion that it was impossible for them, in the changed international circumstances, to continue to be bound by the obligation, which Belgium had accepted in 1925, to go to the assistance of France or of Germany if either of those Powers should become the victim of aggression at the hands of the other; and the decision to pursue a policy 'exclusively and completely Belgian' was notified to the World by the King of the Belgians in a speech which he delivered on the 14th October, 1936.[2]

Of the two guarantors of the Locarno Treaty, Italy adopted an attitude of great reserve, and both in the immediate crisis created by the reoccupation of the Rhineland, and in the subsequent negotiations, it was clear that Signor Mussolini's principal concern was to turn the developments to his advantage by using them as a lever to secure the removal of sanctions and the recognition of the *fait accompli* in Abyssinia. The Italian Ambassador in Paris was said to have assured Monsieur Flandin that Italy would faithfully carry out her obligations under the Locarno Pact, but, while this assurance was welcome as an indication that Italy did not intend openly to throw in her weight on the German side, in view of the international situation

[1] See pp. 282 *seqq.*, below.

[2] See pp. 351 *seqq.*, below.

the French Government can hardly have counted on any very active support from Rome. Italian representatives did, indeed, take part in four-Power consultations in Paris and London, but they were unable to give final approval to any of the measures that were decided on, and when the proposals were referred to the Italian Government for approval they carefully abstained from entering into any definite undertaking. During the summer months Italy moved closer towards Germany,[1] and in the autumn a position was reached in which British efforts to assemble the five signatories of the Rhineland Pact round a conference table encountered a concerted Italo-German policy of procrastination.[2]

Uncertainty as to Italy's attitude made the responsibility of Great Britain as a guarantor of the Rhineland Pact doubly heavy. At the interview between the British Foreign Secretary and the German Ambassador on the morning of the 7th March, when Herr von Hoesch handed over the German memorandum, Mr. Eden made it clear that he took an extremely serious view of the situation. He expressed the fear that the effect of this

> unilateral repudiation of a treaty freely negotiated and freely signed . . . upon His Majesty's Government and upon British public opinion must inevitably be deplorable.

The first official indication of the British Government's policy was given on the afternoon of the 9th March, when Mr. Eden made a statement on the situation at question time in the House of Commons. Having described his two interviews with Herr von Hoesch on the 6th and 7th March,[3] summarized the terms of the German memorandum, and announced that he and Lord Halifax would represent H.M. Government in conversations in Paris between the Locarno Powers which had been arranged for the following day, Mr. Eden proceeded to give an outline of 'the ideas and intentions' with which the Government approached the problem.[4]

> Let us [he said] not delude ourselves. The course taken by the German Government in unilaterally repudiating obligations into which they had freely entered, and in simultaneously acting as if they did not exist, both complicates and aggravates the international situation. The abrogation of the Locarno Treaty and the occupation of the demilitarized zone have profoundly shaken confidence in any engagement into which

[1] See section (vii) of this part of the present volume.
[2] See pp. 360–1, 364–6, below.
[3] For the first of these interviews, at which the discussion turned on the possibility of negotiating an Air Pact, see the *Survey for 1935*, vol. i, pp. 202–3.
[4] The full text of Mr. Eden's statement will be found in *Documents on International Affairs, 1936*, pp. 52–6.

the Government of Germany may in future enter. There can be no one in this house, or in this country, who would wish to condone or excuse such a step. It strikes a severe blow at that principle of sanctity of treaties which underlies the whole structure of international relations.

There is, I am thankful to say, no reason to suppose that the present German action implies a threat of hostilities. The German Government speak in their memorandum of their 'unchangeable longing for real pacification of Europe' and express their willingness to conclude a non-aggression pact with France and Belgium. But in case there should be any misunderstanding about our position as a signatory of the Locarno Treaty, His Majesty's Government think it necessary to say that, should there take place, during the period which will be necessary for the consideration of the new situation which has arisen, any actual attack upon France or Belgium, which would constitute a violation of Article 2 of Locarno, His Majesty's Government in the United Kingdom, notwithstanding the German repudiation of the treaty, would regard themselves as in honour bound to come, in the manner provided in the treaty, to the assistance of the country attacked.

It must be obvious to all that in existing circumstances the transition from a bad past to a better future will be an arduous and hazardous enterprise. At the same time we are not merely concerned with the past or the present. We are concerned also with the future. One of the main foundations of the peace of Western Europe has been cut away, and if peace is to be secured there is a manifest duty to rebuild.

It is in that spirit that we must approach the new proposals of the German Chancellor. His Majesty's Government will examine them clear-sightedly and objectively with a view to finding out to what extent they represent the means by which the shaken structure of peace can again be strengthened. In the present grave condition of international affairs His Majesty's Government feel that no opportunity must be missed which offers any hope of amelioration.

One passage of this statement was received with the greatest satisfaction in France and Belgium—that in which Mr. Eden made it clear that His Majesty's Government considered themselves still bound by their obligations under the Locarno Treaty so far as France and Belgium were concerned. This announcement that the unilateral repudiation of Locarno had in effect established a three-Power agreement for mutual assistance in the event of direct aggression from Germany, which would only come to an end on the conclusion of a new treaty to take the place of the Locarno Treaty, had, as it was intended to have, an immediately reassuring effect upon French and Belgian opinion; but the concluding paragraphs of Mr. Eden's speech were less acceptable on the other side of the Channel. It was clear that French views in regard to the impossibility of accepting the German memorandum of the 7th March as a basis of negotiation were not shared by the British Government, and the

implications of Mr. Eden's remarks on this question were underlined in a sentence which was uttered by Mr. Baldwin on the same afternoon, in the course of the speech in which he opened the debate on the Government's recently issued proposals for defence.[1]

> In Europe [said Mr. Baldwin], we have no more desire than to keep calm, to keep our heads, and to continue to try to bring France and Germany together in a friendship with ourselves.

This indication that the British Government, whose rôle ought, in French eyes, to be that of guarantor pure and simple, considered themselves called upon to play the part of mediator as well, was not at all welcome in France.

There could be little doubt, however, that this conception of the British Government's function was in harmony with the prevailing mood in the country; and, in the light of their recent experiences,[2] this was a factor to which Mr. Baldwin and his colleagues were likely to give due weight. A leading article which appeared in *The Times* on the morning of the 9th March, under the heading 'A Chance to Rebuild', probably reflected fairly accurately the average British citizen's first reaction to the news of Herr Hitler's 'Saturday Surprise'.[3] British sympathy with German grievances against the peace settlement and with the German struggle to regain equality of status had been shaken from time to time during the past three years by Nazi excesses, but the feeling that Germany had not had a fair deal was still widespread, and in the existing circumstances there were

[1] See the present volume, Part I, section (iii), pp. 130–4.

[2] For the effect of public opinion upon the British Government's policy in regard to the 'Laval-Hoare Plan' for settling the Italo-Abyssinian conflict see the *Survey for 1935*, vol. ii, pp. 66–70 and 314–20.

[3] Some indication of the trend of opinion in the House of Commons during the earlier stages of the crisis, when, by general agreement, the situation was not ripe for public debate, was given by a report, which appeared in the press, of the proceedings at a meeting of the Foreign Affairs Committee of the National Government's supporters on the 17th March. At least sixty per cent. of the members present were said to be opposed to the employment of drastic measures against Germany. There was complete agreement that Great Britain must fulfil her treaty obligations towards France and Belgium, but there was also a strong feeling that the Government ought to continue the policy of conciliation, to avoid any possibility of the outbreak of hostilities or of the application of sanctions, and to refrain from entering into any fresh commitments in Europe.

The various currents of opinion in Great Britain were of course reflected in the correspondence in the press, and light was also thrown on them by a series of meetings which were held at Chatham House on the 18th and 25th March and the 2nd April, 1936, at which representative speakers of every school of thought expressed their views on the policy which the British Government ought to follow. The record of these discussions was published in a pamphlet entitled *Germany and the Rhineland*.

many Englishmen who could find some excuse for Germany's action on the 7th March. The number of well-informed and influential persons in Great Britain who honestly shared Herr Hitler's anti-Bolshevist obsession was probably very small, but a far larger proportion of the British public regarded the Franco-Russian Pact with a certain amount of misgiving. While the British Government had committed themselves to the view that the Franco-Russian Pact and the Locarno Treaty were legally compatible, many British observers felt that Germany had good political grounds for objecting to the pact, and from this feeling it was not a long step to the standpoint that the German Government had some justification for taking steps to prevent the successful accomplishment of an attempt to encircle Germany. The method of procedure adopted by Germany was, indeed, generally condemned—especially in view of the fact that the treaty which she had repudiated had been freely signed and explicitly accepted as valid by the Nazi Government—but at the same time it was pointed out that no state could claim to be guiltless in the matter of treaty-breaking. Even those who expressed the strongest disapproval of the German action drew a sharp distinction between the kind of aggression of which Italy had been guilty in Abyssinia and the entry of German troops into a portion of German territory without taking a single life or inflicting any material damage upon another country.

Herr Hitler had, no doubt, hoped and expected that the tendency to sympathize with the German case (which had probably been represented to him as even stronger than it actually was) would colour the immediate British reaction to his *coup*, and he also calculated that he could win a wider measure of support from the British public if he couched his offer of a new settlement in terms that were specially designed to appeal to British minds. Herr von Hoesch told Mr. Eden on the 7th March that

> the German Government's decision in regard to the League was to a large extent due to their desire to meet the views frequently expressed by the Prime Minister and [Mr. Eden] when [they] emphasized that the policy of His Majesty's Government was based upon the League and upon collective security. Germany, he said, was willing to share in such a policy, and there were no conditions attached to her return to the League.[1]

This offer to resume membership of the League, which was a complete reversal of Germany's recent policy, served the purpose for which it was intended by creating an impression in Great Britain that

[1] Mr. Eden in the House of Commons on the 9th March, 1936.

the memorandum of the 7th March represented a notable advance on any of Herr Hitler's earlier peace proposals, and that legal considerations ought not to be allowed to prevent the acceptance of an offer which might indeed give peace to Europe for twenty-five years.

Seen through French eyes, this British reaction was characteristically inconsistent and muddleheaded. It was inconsistent that public opinion in a country whose Government had taken the lead in the penalization of Italy and had dragged France after it along the path of sanctions, should now be ready to enter into negotiations with an aggressor whose act, in contrast with Signor Mussolini's African adventure, constituted a direct threat to European stability. It was muddleheaded to look forward to a new settlement and to overlook the fact that the unilateral repudiation of one voluntarily accepted treaty destroyed confidence in the treaty-breaker's intentions of keeping any new pledges to which he might commit himself.

The answer to the charge of inconsistency was that the British public, as has been indicated, felt instinctively and sincerely that the reoccupation of the Rhineland was not an offence against international morality in the same category as Italy's invasion of Abyssinia, and that it called for a different kind of treatment. As for the lack of confidence in Germany's plighted word, the majority of Englishmen probably felt that this risk must be taken if all hope of a peaceful settlement of the problems of Europe was not to be abandoned. At the same time, the French contention that a new treaty could not be erected without further ado on the ruins of an old one was appreciated from the outset by a section of British public opinion, which held that the British Government ought to give the fullest support to the French Government in dealing firmly with Germany and refusing to negotiate without adequate reparation. The most distinguished spokesman of this 'pro-French' school of thought in the House of Commons was Sir Austen Chamberlain—an ex-Foreign Minister whose opinions on foreign affairs always carried weight, and whose part-authorship of the Locarno Treaty gave his views on the questions at issue a special title to consideration. As time brought a better understanding of the strength of French feelings, a larger proportion of British members of Parliament and of the public at large came to recognize that there was a good deal of substance in the French view that to accept the *fait accompli* in the Rhineland, with at most a formal condemnation, and pass on at once to the negotiation of a new settlement would be tantamount to encouraging further breaches of treaty. In principle, the idea that Germany ought to make some contribution to the restora-

tion of confidence was not seriously contested, but to the average Englishman it seemed foolish to push insistence upon the fulfilment of preliminary conditions to a point at which the chance of negotiating a new settlement would be prejudiced. At the same time, it was recognized to be not unreasonable that France should expect some compensation from Great Britain if Great Britain refused to go as far as France desired in demanding reparation from Germany. As the weeks and months passed and the prospect of a European settlement receded into the distance, largely in consequence of the policy of evasion and procrastination which Germany adopted, the 'pro-German' tendency which had appeared to govern British opinion at the beginning of the crisis gradually became weaker. A characteristic German miscalculation of the effects of propaganda upon the British public, the part which Germany was by that time playing in Spain,[1] and the realization that German policy was principally responsible for the burdens which the British rearmament programme would impose upon the tax-payer, all contributed to the hardening of opinion, and at the end of the year 1936 an anti-German movement appeared to be gaining ground in Great Britain.

As for the British Government, their anxiety not to lose the 'chance to rebuild' appears to have caused them at first to underestimate the extent of the obstacles in the way; but if the balance of opinion in the Cabinet could be said to have inclined originally in the direction of Germany, it was soon redressed. When the British Government endeavoured thereafter to combine the rôles of guarantor and mediator, they were subjected to a certain amount of pressure, from France and Germany alternately, to abandon one rôle or the other, but they did not have to cope with any serious opposition at home. They could count on strong support when, in the capacity of mediator, they relaxed no effort to bring the Western Powers together for the negotiation of a new Locarno. When, in the capacity of guarantor, they reaffirmed their promises of assistance to France and Belgium in precise terms which left no room for misconception regarding the action that Great Britain would take in the event of a German attack on either of those countries, they disarmed criticism to some extent by insisting that the guarantee must be reciprocal. Even at the beginning of the crisis, when the tide of opinion appeared to be flowing in a pro-German direction, Mr. Eden's announcement that the Government recognized their moral obligation to maintain the Locarno guarantees to France and Belgium was well received—partly, no doubt, because there was also general agreement with

[1] This will be dealt with in the *Survey for 1937*.

Mr. Eden's remark that 'the present German action' did not imply 'a threat of hostilities' which would bring the guarantee into operation. There was a good deal more hesitation in approving the Government's subsequent decision to make arrangements in advance, by means of contact between General Staffs, regarding the measures which would have to be taken if the need to implement the guarantee actually arose, and although this step was widely recognized to be unavoidable in the circumstances, it was accepted by public opinion with a good deal of heart-searching.

It was probable that uncertainty as to the attitude of the public was one reason for the British Government's reluctance to commit themselves in one important respect. While French policy since 1919 had been based consistently on the principle that the peace of Europe was indivisible, British policy had been no less consistent in its refusal to enter into binding commitments in Eastern Europe.[1] By the year 1936, the idea that Europe must be treated as a unit for the purpose of organizing security did not lack powerful advocates among the members of the Parliamentary Opposition in Great Britain, but it was probable that a majority of the Government's supporters were still in favour of limiting British commitments on a regional basis. In the existing circumstances, the suggestion that a Western Pact should be concluded and that Herr Hitler should be tacitly left free to do as he liked in the East commended itself in those British circles in which an Anglo-German *rapprochement* was regarded as highly desirable (either from fear of Germany's growing strength or from dislike of Russia or from other motives); and it was also likely to receive consideration in circles which were strongly opposed to any concession to Germany's claim for the return of her pre-war colonies. There was some reason to believe that one motive for the increasing vigour with which Germany's colonial claims were put forward during the year 1936 was the hope that the campaign would convince British opinion of Germany's urgent need for expansion in one direction or another, and would thus prepare the way for a bargain over Eastern Europe. It was difficult to judge how great a degree of success attended this manœuvre (if such it was), but there was little doubt that a considerable proportion of the British public, including some of the Government's supporters in the House of Commons, would deem it to be in the interests of the British Empire to abandon Eastern Europe to

[1] For the negotiations on these questions in the years immediately following the signature of the Treaty of Versailles see the *Survey for 1924*, Part I A, sections (i) to (v).

its fate, if by that means the question of a redistribution of colonial territory could be shelved.

Mr. Baldwin's Government were ready in 1936 to take the step, which the Liberal Government had not taken in the years preceding the outbreak of the war in 1914, of serving formal notice upon Germany that an act of aggression by her against France or Belgium would bring Great Britain into the field; but in regard to Eastern Europe they still felt it politic (partly because of a laudable desire not to raise false hopes by promising something which they might not be able to perform) to leave the various parties concerned in doubt as to the action which they would take in the event of hostilities. Their policy in regard to the question of separating Eastern and Western Europe was set out succinctly by Mr. Neville Chamberlain when he wound up the Debate on the Address in the House of Commons at Westminster on the 5th November, 1936. In reply to the suggestions of Opposition speakers that the Government's efforts to bring about a Western European settlement meant that they disinterested themselves in the affairs of Eastern Europe, Mr. Chamberlain said:

> It is true that we cannot disinterest ourselves in the peace of any part of the world, because a contest which arises in some remote corner may presently lead to a world war. That it is possible to enter into a Western European Pact without thereby disinteresting ourselves in the peace of the rest of the world is seen by the experience we have already had. The regional pact of Locarno did not mean that we told the world that anybody might do what they liked anywhere else.
>
> It is true that a Western Pact does not in itself ensure the stability of the eastern frontiers of Germany. We should like to see an Eastern European Pact on the same lines as a Western European Pact. We should not ourselves be parties to such a pact, but that does not mean that we give a free hand to any other country to do what it likes and undertake that in no circumstances will we interfere. We keep in fact a free hand to consider the circumstances and the merits of the case, and we confine our actual obligations to those regional pacts which affect our interests. All regional pacts must be subject to our general obligations under the Covenant. They are not intended to be a substitute for them, but an addition to them, and I believe they can usefully play a great part in the attainment of general security.

Thus the British Government's attitude on the question of treating Europe as a unit, so far as it was publicly proclaimed,[1] was that the ultimate aim of any negotiations with Germany ought to be to produce a settlement which would guarantee the security of Eastern as well as of Western Europe. At the same time, they made it clear that

[1] See also the statements quoted on pp. 310, 317 *n.*, 368, below.

they did not themselves intend to enter into any definite commitments in regard to the security of Eastern Europe,[1] and their insistence upon retaining a free hand in this respect encouraged Germany to go on hoping that her policy of separating the East from the West might eventually find a supporter—or at any rate a benevolent neutral—in the British Government. This hope was strengthened by the fact that, while the British and French Governments were ostensibly in agreement as to the ultimate object of negotiations with Germany, there was a certain difference of emphasis between their respective pronouncements in regard to the method of attaining this object. The French Government considered that it would merely be playing into Herr Hitler's hands to embark upon negotiations for a Western Pact before he had given a definite undertaking to extend the settlement to Eastern Europe, whereas the British Government showed an inclination to prefer the traditional British method of taking one step at a time. They regarded a Western settlement as a highly desirable end in itself, and their hope was, apparently, that if the Germans could be brought to a conference table in order to discuss a new Locarno Pact, they might then be found open to persuasion in the matter of Eastern Europe. This question of procedure became important during the second half of the year 1936, after the French Government had abandoned their original standpoint that it was impossible to negotiate with Germany at all so long as she had made no reparation for her breach of treaty.

(*d*) The Negotiations between the Locarno Powers in Paris and London (10th–19th March, 1936)

On the 10th March, 1936, there was a meeting in Paris of the Locarno Powers, other than Germany. At this meeting, which had been convened by the French Government in accordance with the decision taken by the Cabinet on the evening of the 7th March,[2] Great Britain was represented by Mr. Eden and Lord Halifax, Belgium by Monsieur van Zeeland, and Italy by her Ambassador in Paris, Signor Cerruti. The outstanding feature of the first meeting was the divergence of views between the French and British representatives, which was so sharp that it threatened to develop into an Anglo-French crisis. The determination of the French Government not to treat the occasion as one for a mere protest, but to use every legal and moral resource at their disposal in order to bring home to Germany the full seriousness of her action, was explained

[1] See also pp. 317, 368, below.

[2] See p. 267, above.

by Monsieur Flandin, who also laid stress on the military significance of the so-called 'symbolic' occupation. He was said to have recommended the adoption of a programme which provided that the German Government should be called upon to withdraw all troops from the demilitarized zone; that, if they refused, sanctions should be imposed; and that when the demilitarized zone had been evacuated, but not until then, negotiations might be opened for a new settlement within the framework of the League Covenant. Monsieur Flandin was also said to have pressed Mr. Eden to agree that the promise of assistance in case of need, which Mr. Eden had made in the House of Commons on the previous day, should be transformed into a definite alliance.

The British representatives, for their part, seem to have been very much taken aback by the strength of French feeling, which had not been fully appreciated in London. They were also impressed by the attitude of Monsieur van Zeeland, who pointed out that the demilitarized zone had constituted Belgium's principal guarantee of security and her principal compensation for abandoning her pre-war status of neutrality, and that the zone had now been violated on a pretext which could not in any case be held to apply to Belgium—since she was not a signatory of the Franco-Russian Pact. Mr. Eden and Lord Halifax were soon convinced that the standpoint from which the British Government had approached the problem hitherto was not tenable. The British delegates were said to have gone to Paris with instructions to recommend the adoption of a plan of procedure under which the opening of negotiations with Germany would follow hard upon the meeting of the Council—the assumption being that the Council would merely declare that Germany had violated the Rhineland Pact and would pass a resolution condemning this action and reaffirming the principle of the sanctity of treaties.[1] There was a wide gulf between this position and the position taken by Monsieur Flandin when he declared that France could not and would not negotiate until Germany had restored the *status quo*. At the same time, the British Government were fully alive to the difficulty which the Government in Berlin would experience in reversing a decision that had been announced and put into effect with so much flamboyance. As for the alternative of compelling Germany to back down by the imposition of sanctions, this was not a possibility that the British representatives were prepared seriously

[1] The British Government appear to have received assurances that the German Government would not regard a formal condemnation of this kind as an obstacle to negotiations.

to contemplate. Mr. Eden and Lord Halifax appear to have pointed out the danger that if France adhered rigidly to the programme which Monsieur Flandin had outlined the only result would be a long period of stalemate. They suggested, as a possible compromise, that France might signify that she would be prepared to negotiate if Germany were not only to reduce the strength of the military occupation to proportions which the French Government would consider 'symbolical' but were to undertake at the same time not to fortify the demilitarized zone during the period of negotiations. Monsieur Flandin was said to have treated this suggestion with reserve; but his attitude was attributed in part at least to the French Government's natural wish not to commit themselves in any way before the forthcoming meeting of the League Council.

The Council had been summoned to meet on the 13th March, and it had been assumed that the meeting would take place at Geneva as usual;[1] but after consulting Mr. Baldwin by telephone Mr. Eden suggested that the meeting should be held in London, and this suggestion was accepted. One advantage of this move was that if (as the British Government hoped) the Council should decide that it was desirable to invite a German representative to attend,[2] the invitation would be more likely to be accepted if Geneva was not the meeting-place. From the point of view of Great Britain it would also be an advantage that Ministers would be at hand for immediate consultation on the points involving important decisions of principle which were bound to arise; while the French Government appear to have welcomed the opportunity of personal contact with Mr. Baldwin and other Ministers, in the belief that they could be brought by this means to see the strength of the French case. It was announced on the evening of the 10th March that the meeting of the Council would be opened in London on the 13th, and that the exchange of views between the four Locarno Powers would be resumed in the same place on the 12th.

Of the two series of meetings which took place in London between

[1] A meeting of the Committee of Thirteen on the Italo-Abyssinian dispute had been fixed for the 10th March, but this was postponed, and it finally met in London on the 23rd March (see the *Survey for 1935*, vol. ii, pp. 338, 339, 340, 342).

[2] In accordance with the usual procedure when a case involving a non-member of the League was about to come before the Council, a formal notification of the meeting was sent immediately by the Secretary-General of the League to Berlin, but this elicited no response. The German decision not to treat this notification as a definite invitation was said to have been determined largely by the fear that conditions for attendance might be imposed which Germany would consider derogatory.

the 12th and the 24th March, the negotiations between the Locarno Powers, which began on the 12th and ended in the adoption of an agreement on the 19th, had considerably greater effect than the discussion in the Council in determining the course of future developments. After the meeting in Paris on the 10th March, French opinion had grown even stiffer as a result of further information which was received regarding the strength of German forces in the Rhineland, and MM. Flandin and Paul-Boncour arrived in London on the evening of the 11th March more determined than ever to extract the maximum reparation from Germany and the maximum guarantee of assistance from Great Britain. A meeting of the British Cabinet was held on the 11th, after Mr. Eden and Lord Halifax had returned from Paris, and the account which these two Ministers gave of the discussions in Paris convinced their colleagues that an attempt must be made to induce the German Government to order at least a partial withdrawal of their troops from the Rhineland. On the evening of the 11th March Mr. Eden sent for Herr von Hoesch and informed him that the British Government felt justified in asking the German Government to make a contribution which would help to ameliorate the extremely grave situation that had been created by their act. He therefore put forward the suggestion—which he had already made tentatively in Paris—that the German Government should withdraw all but a symbolical number of troops, and should promise not to increase the number and not to erect fortifications in the Rhineland at least for the period of the negotiations.

The news that the discussions were to be transferred to London had been received with satisfaction in Berlin. Mr. Eden's statement in the House of Commons on the 9th March, in spite of the severity of its tone, had gone far to reassure German official circles that Great Britain would not support any drastic action against Germany, and it was hoped that the British Government would be able more effectively to exercise a restraining influence upon France when they were on their own ground. Any sign of readiness on the German side to consider Mr. Eden's suggestion would certainly have strengthened the British Government's hand in playing the part which Germany expected of them, but this consideration was overruled by the exigencies of German internal politics. The Reichstag had been dissolved on the 7th March after Herr Hitler's speech, and the campaign for the election, which was to be held on the 29th March, had already begun. It was perhaps psychologically impossible for Herr Hitler and his advisers, at a moment when they were appealing for the German people's unanimous approval of the action which

had been taken on the 7th March, to contemplate making any concession which would imply that the restoration of full control over the Rhineland had not been definitive.

On the 12th March Herr Hitler made his first election speech in the Rhineland, at Karlsruhe, where he told an enthusiastic audience that 'nothing will induce us to renounce this regained sovereignty over the Rhineland zone'. On the same day an official memorandum[1] was issued in Berlin which threw additional light on the Government's attitude. This memorandum enumerated the various steps which France had taken to ensure her security and which were held to justify corresponding measures of self-defence on the German side, and declared that the strength of the forces which had been sent into the Rhineland had been confined within 'symbolical' limits in order to avoid any appearance of putting pressure upon France to negotiate. The memorandum laid stress upon the constructive nature of the proposals of the 7th March, and hinted that if they were not accepted Germany would withdraw them and retire into isolation. Finally, it was announced that the German Government did not intend to make any further alteration in the position in the Rhineland during the period of negotiations.[2]

This decision not to increase the strength of the forces in the Rhineland was communicated by Herr von Hoesch to Mr. Eden, also on the 12th March, by way of response to the appeal for a

[1] An English translation of the text is printed in *Documents on International Affairs, 1936*, pp. 77–80.

[2] A statement that 'the German Government will do nothing more on its side to alter the existing situation' had been made two days earlier by Herr Hitler to a British journalist, Mr. Ward Price, in an interview which was published in *The Daily Mail* of the 11th March, 1936. (The text is reproduced in *Documents on International Affairs, 1936*, pp. 57–61.) Herr Hitler also remarked on this occasion that if his proposals were 'again rejected or simply ignored' the German Government would 'not importune Europe with further overtures'.

This interview also elicited the important point that the offer of non-aggression pacts was intended to extend to Czechoslovakia and to Austria. To a question on this point Herr Hitler replied: 'My proposal for the conclusion of non-aggression pacts on the east and west of Germany was meant to be a universal one. There is certainly no exception intended to it. It applies equally to Czechoslovakia and Austria.'

Another significant remark of Herr Hitler's showed that Germany's objection to the demilitarized zone was because of its unilateral nature. 'The best way to eliminate this state of menace would be for both sides to solve the question of a demilitarized zone on a reciprocal basis.' (The 'state of menace' was a reference to the remark which had been made by Monsieur Sarraut in his broadcast speech that he could not bear the idea of Strasbourg being threatened by German guns. Herr Hitler pointed out that it was equally intolerable for Germany to see open towns like Frankfurt, Freiburg and Karlsruhe menaced by the guns on the French fortifications.)

German concession which Mr. Eden had made on the previous day. The German reply was as follows:

> The German Government cannot enter into a discussion with regard to a lasting or provisional limitation of German sovereignty in the Rhineland territory. The German Chancellor wishes, however, in order to facilitate for the French Government the acceptance of the German proposals, to explain in the following way his intention, which he has declared from the beginning, to give to the re-establishment of German sovereignty in the Rhineland at present only a symbolic character. The strength of the troops which have been stationed in certain garrisons in the Rhineland on a peace-time basis has been already communicated to the British and the French military *attachés* in Berlin. This strength will not be increased at present. It is equally not intended at present to station these troops nearer to the French or the Belgian frontier.[1] This restriction of the military occupation of the Rhineland will be observed for the duration of the pending negotiations. It is, however, assumed that a similar attitude will be observed by France and Belgium.

This exchange of communications between the British and the German Governments was discussed at the first meeting of the Locarno Powers in London on the afternoon of the 12th March. While the British representatives considered that the German offer not to send reinforcements into the Rhineland for the present marked a certain advance, Monsieur Flandin considered it a completely inadequate substitute for the total withdrawal which France had demanded as a condition of negotiations. The representatives of the four Governments recorded their formal recognition of Germany's violation of Articles 42 and 43 of the Versailles Treaty and of the Locarno Treaty, but left it to the Council of the League (the first meeting of which had now been arranged for the 14th March) 'to pronounce upon this point'. A committee consisting of the first delegates of the four Powers (Monsieur Flandin, Mr. Eden, Monsieur van Zeeland, and Signor Grandi) was set up to examine the situation in detail, and during the next week there was almost continuous contact between members of the French, Belgian, and Italian delegations and British Ministers.[2] There were often two formal meetings a day, and the deliberations sometimes continued until the small hours of the morning.

Signor Grandi appears to have played an unimportant part in

[1] From the beginning of the reoccupation, German troops had been kept at a distance of about eight miles from the frontier. There were no barracks in the immediate neighbourhood of the frontier, and soldiers were forbidden to approach it.

[2] The British Ministers principally concerned, besides Mr. Eden and Lord Halifax, were Mr. Ramsay MacDonald and Mr. Neville Chamberlain.

these discussions, and Monsieur van Zeeland's main concern was to help in finding common ground between the French and British standpoints.[1] Monsieur Flandin was said to have begun the conversations by a threat that his Government might resign their membership of the League if they did not receive satisfaction for their view that Germany must make the requisite reparation—an attitude in which he was understood to have the support of Russia and of the Little Entente. Monsieur Flandin did not, however, impose a veto on the invitation to Germany to attend the Council meeting which was dispatched on the 14th March,[2] and he gradually modified his views in regard to the nature of the act of reparation to be required from Germany. The original French standpoint that either Germany must withdraw her troops or else sanctions must be imposed upon her could not be maintained, in view of the German Government's refusal to take the first course and the extreme reluctance of the majority of the states represented on the Council even to discuss the second course. The fact that it was no use expecting a concession from Germany in the matter of withdrawal was driven home by the election speeches which Herr Hitler and other German Ministers were making while the negotiations were going on in London;[3] for with each repetition in public of the thesis that there could be no alteration of the position in the Rhineland it became more difficult for Herr Hitler to eat his words. By the 17th March, after the question of the conditions on which Germany would accept the invitation to attend the Council meeting had been settled,[4] Monsieur Flandin had arrived at the point of accepting the compromise of partial withdrawal and non-fortification which Mr. Eden had suggested in Paris on the 10th and had put before the German Ambassador on the 11th—with the additional condition that Germany should agree at the same time to submit the question of the compatibility of the Franco-Russian Pact and the Rhineland

[1] Monsieur van Zeeland had returned to Brussels between the meeting of the Locarno Powers in Paris on the 10th March and the meeting in London on the 12th, and he had received a mandate from the Cabinet to pursue the policy which he had followed in Paris and not to close the door to conciliatory negotiations within the framework of the League. Extracts from his statement to the Chamber of Representatives on the 11th March will be found in *Documents on International Affairs, 1936*, pp. 69–77.

[2] See p. 296, below.

[3] In a speech at Munich on the 14th March, for instance, Herr Hitler exclaimed: 'They talk of gestures, but I have done something worth a thousand gestures—I have put forward a scheme which will ensure peace in Europe for twenty-five years.' Two days later, at Frankfurt, he declared that there could be no question of Germany's going back on her demands and decisions.

[4] See pp. 296–8, below.

Pact to the Hague Court for decision and to accept the Court's ruling. French opinion attached great importance to this last point because it was felt that by agreeing to submit the legal aspect to arbitration Germany would be recognizing the supremacy of the international law which she had challenged by her action on the 7th March, while France (who was confident that her legal case was unassailable) would be certain of winning a moral victory.

The British Government were prepared to support the suggestion that Germany should be asked to agree to arbitration, although they felt that a judgment of the Permanent Court proving Germany to be legally in the wrong would have little practical effect upon the situation; but they considered that to put forward once more the proposal for a partial withdrawal of German troops would simply provoke a deadlock, since they were convinced that the German Government's attitude on this point could not be expected to undergo any change. They therefore suggested the alternative of the creation of a narrow neutral zone on the German side of the frontier, to be policed by an international force during the period of negotiations. This suggestion appears to have been put forward purely as a means of breaking the deadlock, and not with any expectation that it could be put into practice; and Monsieur Flandin accepted the way out of the *impasse* which the British Government were offering him when he agreed to substitute this proposal for the proposal that the German military forces should be reduced.

Monsieur Flandin was only induced to modify his original standpoint to this extent in return for a marked advance on the British side in the direction of meeting French views on the question of guarantees of assistance. The British Government consented to a procedure which would give concrete form to the undertaking that had been given in Mr. Eden's statement of the 7th March—that is, they agreed that the General Staffs of France, Belgium and Great Britain should enter into contact in the near future in order to work out the arrangements which would have to be put into force if the need for military, naval or air assistance to a victim of German aggression should arise. In compensation for this important departure by the British Government from their traditional policy, an understanding was reached that guarantees of assistance should henceforth be reciprocal—that is, that Great Britain (and Italy, if she accepted the arrangement) should not only continue to act as guarantors of France and Belgium but should also receive guarantees that help would be provided for Great Britain if she were attacked. In the agreement which was finally reached, guarantees of assistance,

supplemented by conversations between General Staffs, were provided for three contingencies: first, during the preliminary period of emergency before negotiations began;[1] second, on the conclusion of a 'new Locarno' (which would, it was contemplated, include permanent arrangements for mutual assistance between the four Western Powers whether Germany accepted such arrangements or not); and finally in the event of the breakdown of the negotiations which it was hoped to initiate.

This question of guarantees was the subject of prolonged discussion before an agreement was reached, and a good deal of consideration was also given to the questions of the procedure to be followed in the near future and of the scope of the negotiations that were contemplated. The first stage of the proceedings—that of the formal declaration by the League Council that Germany had committed a breach of her treaty obligations—was already in process of completion; and, under the programme which the representatives of the Four Powers finally agreed to recommend to their Governments, negotiations between the five signatories of the Locarno Treaty for a new Western Pact would begin as soon as Germany had accepted the conditions applicable to the interim period to which she was to be asked to subscribe. In the final stage it was contemplated that the negotiations should be expanded to cover questions of a more general scope, and that for this purpose European states other than the Locarno Powers should be invited to attend a Conference convened by the League of Nations.

The long and arduous negotiations between the representatives of the four Locarno Powers were concluded at 2 a.m. on the 19th March,[2] when a 'text of proposals' was adopted for submission to the Governments concerned.[3] This draft agreement, after a preamble

[1] During the preliminary period Great Britain would continue to guarantee assistance to France and Belgium but would receive no reciprocal guarantees. The provision for reciprocity would come into effect only in the event of the conclusion of a new Locarno or on the definite break-down of the negotiations. Great Britain therefore did not begin to enjoy a guarantee from France until December 1936, when Monsieur Delbos announced the French Government's decision to assume reciprocal obligations of assistance towards Great Britain (see p. 369, below).

[2] Monsieur Flandin had attached great importance to reaching an agreement with Great Britain, Belgium and Italy before the German representative made his appearance at the League Council, in order that the four Locarno Powers might present a common front. Herr von Ribbentrop had arrived in London on the 18th March and was expected to attend the Council meeting on the morning of the 19th.

[3] The text was printed as an annex to the minutes of the ninety-first session of the Council (*League of Nations Official Journal*, April 1936, Part I). It will also be found in *Documents on International Affairs, 1936*, pp. 127–33.

setting out the attitude of the four Powers to Germany's unilateral breach of her treaty obligations, went on to describe the measures which it was suggested that the Governments should take so far as they were themselves concerned, and should propose to Germany in the immediate future.

The representatives of Belgium, France, the United Kingdom of Great Britain and Northern Ireland, and of Italy. . . .

III. Declare that nothing that has happened before or since the said breach of the Treaty of Locarno can be considered as having freed the signatories of that treaty from any of their obligations or guarantees and that the latter subsist in their entirety;

Undertake forthwith to instruct their General Staffs to enter into contact with a view to arranging the technical conditions in which the obligations which are binding upon them should be carried out in case of unprovoked aggression.

IV. Decide to invite the German Government to lay before the Permanent Court of International Justice at The Hague the argument which it claims to draw from the incompatibility between the Franco-Soviet Pact of Mutual Assistance and the Treaty of Locarno, and to undertake to accept as final the decision of the said Court, without prejudice to the operation of paragraph VII (2) below.

The French Government declares that it has already agreed that the said Court should be seized of the question stated above.

V. Decide in the name of their Governments jointly to invite the German Government to subscribe to the following provisional arrangements which shall remain valid until the conclusion of the negotiations referred to in paragraph VII below:

(1) All despatch of troops or war material into the zone defined by Article 42 of the Treaty of Versailles will be immediately suspended; in consequence, the forces stationed there will not exceed . . . battalions and . . . batteries of artillery . . .

(2) The paramilitary forces (S.A., S.S., Labour Corps and other organizations) stationed in the said zone will be strictly maintained as they were before the 7th March, 1936; in particular, they shall in no case be formed into large units or serve directly or indirectly for the reinforcement of troops;

(3) No works of fortification or preparation of groundworks shall be proceeded with in the said zone. No landing-ground will be laid out, equipped or improved there.

The Governments of France and of Belgium undertake similarly to suspend during the period any despatch of troops into the zones adjoining the frontiers between their countries and Germany.

VI. Decide to take, for the same period, all the necessary measures with a view to:

(1) Create an international force, including detachments from the armies of the guarantor Powers, to be stationed, with the agreement of all the Governments concerned, in a zone contained between the Belgo-German and Franco-German frontiers on one side, and on the other a line situated to the East of the said frontiers and following them at a

distance of approximately twenty kilometres, this zone being entirely reserved for occupation by the said international force;

(2) Set up an international commission whose duty it shall be to supervise the carrying-out of the obligations undertaken by the Powers which have formed the above-mentioned force, as well as by Belgium, France and Germany, for the eventual execution of paragraphs V and VI (1) above.

The proposals in regard to the negotiation of a new Rhineland Pact and the subsequent Conference which would discuss a general European settlement were as follows:

VII. Taking note of the proposals made by Germany in the memorandum communicated to them on the 7th March, [the representatives of the four Powers] decide, so far as they are concerned, to propose to the German Government, if that Government explicitly accepts the invitations addressed to it in pursuance of the preceding paragraphs, that it should take part in negotiations which would be based, in particular, on the following elements:

(1) Examination of the proposals 2 to 5 made by Germany in the memorandum of the 7th March;[1]

(2) Revision of the status of the Rhineland;

(3) Drawing-up of mutual assistance pacts open to all the signatories of the Treaty of Locarno and intended to reinforce their security.

So far as concerns the four Powers represented in London, the reinforcement of their security provided for will include, in particular, obligations of mutual assistance between Belgium, France, the United Kingdom and Italy, or any of them, with suitable provisions to ensure prompt action by the signatories in case of need, as well as technical arrangements for the preparation of such measures as would ensure the effective execution of the obligations undertaken.

Further, the four Powers declare that they have agreed to press, in the course of the negotiations, for the adoption of provisions intended to prohibit or to limit the subsequent establishment of fortifications in a zone to be determined.

VIII. Considering that the maintenance of peace and the organization of collective security can only be assured by the respect for treaties and the limitation of armaments; and that the re-establishment of economic relations between the nations on a healthy basis is equally necessary to the process of reconstruction:

Declare themselves ready:

To support the introduction at the Council of the League of Nations of resolutions proposing to invite all the nations concerned to an international conference which would, in particular, examine:

(1) Agreements organizing on a precise and effective basis the system of collective security and paying attention to the definition of the con-

[1] i.e. the proposals relating to the conclusion of a non-aggression pact of twenty-five years' duration between Germany, France, and Belgium, and possibly the Netherlands, with Great Britain and Italy as guarantors, and to the conclusion of a Western Air Pact (see p. 264, above).

ditions in which Article 16 of the Covenant of the League of Nations should be applied.

(2) Agreements tending to assure the effective limitation of armaments;

(3) International arrangements having as their object the extension of economic relations and the organization of commerce between the nations;

(4) The proposals 6 and 7 made by the German Government in their memorandum of the 7th March,[1] as well as the suggestions made subsequently in regard to Austria and Czechoslovakia.[2]

There were two annexes to this draft agreement. The first was a draft resolution for submission to the Council of the League;[3] the second was the draft of a 'letter of assurance' which it was proposed that the Governments of Great Britain and Italy should address to the Governments of France and Belgium. This ran as follows:

At the moment when the representatives of Belgium, France, Great Britain and Italy have just decided, as provided in to-day's arrangement, the common line of conduct of their respective Governments, I am authorized to give you the official assurance that, if the effort of conciliation attempted in the said arrangement should fail, His Majesty's Government in the United Kingdom [the Italian Government]

1. (*a*) Will at once consider, in consultation with your Government and the French [Belgian] Government, the steps to be taken to meet the new situation thus created;

(*b*) Will immediately come to the assistance of your Government, in accordance with the Treaty of Locarno, in respect of any measures which shall be jointly decided upon;

(*c*) Will, in return for reciprocal assurances from your Government, take, in consultation with your Government, all practical measures available to His Majesty's Government [the Italian Government], for the purpose of ensuring the security of your country against unprovoked aggression;

Will, for this purpose, establish or continue the contact between the General Staffs of our two countries contemplated in paragraph III (2) of the said arrangement;

2. And, furthermore, will subsequently endeavour at the Council of the League of Nations to secure the formulation by the latter of all

[1] i.e. the proposals relating to the conclusion of bilateral non-aggression pacts, with states bordering on Germany in the East, to the re-entry of Germany into the League of Nations and to the consideration of colonial claims and of the separation of the League Covenant from the Versailles Treaty (see p. 265, above).

[2] This referred to the statement which had been made by Herr Hitler to Mr. Ward Price on the 10th March, to the effect that his offer of bilateral non-aggression pacts extended to Czechoslovakia and Austria (see footnote on p. 286, above).

[3] See p. 305, below.

useful recommendations for the maintenance of peace and the respect for international law.

(e) The Meeting of the League Council in London (14th–24th March, 1936)

While the negotiations between the Locarno Powers which resulted in the agreement of the 19th March were going on, the Council of the League of Nations had been holding a number of meetings—secret, private and public—to consider the situation, under the presidency of the Australian representative, Mr. Bruce.[1] At the first public meeting on the morning of the 14th March the Council heard statements from the representatives of France and Belgium,[2] the two states at whose request the meeting was being held. Monsieur Flandin made the point that his Government were performing a duty rather than exercising a right in bringing Germany's breach of treaty before the Council, since 'if it were only a question of rights, the text of the Locarno Treaty would authorize the French Government to take strong and decisive measures forthwith'. As in the French Government's declaration of the 10th March, Monsieur Flandin took his stand on the principle that it was not only the signatories and guarantors of the Locarno Treaty whose interests were at stake.

> It is a question [he said] of the interests of general peace and, I might say, of the very existence of the League of Nations. The question at issue is whether the practice of the *fait accompli*, the unilateral repudiation of undertakings freely and solemnly accepted, are going to be set up in Europe as a political system; whether treaties are going to be considered as at any moment and immediately capable of modification at the will of their signatories, and whether a Government, in the exercise of its own power, may go back to-day on its promises of yesterday.

Monsieur Flandin referred to the resolution which had been adopted by the Council on the 17th April, 1935, on the occasion of an earlier repudiation of treaty obligations by Germany,[3] when it had been recognized that 'the members of the League of Nations must oppose by all appropriate means the repudiation of undertakings affecting the security of the nations of Europe and the maintenance of peace', and he expressed the opinion that, if the Council were to go

[1] Extracts from the more important speeches made at the Council meetings will be found in *Documents on International Affairs, 1936*, pp. 80–7, 90–119.

[2] Belgium was not now a member of the Council, but as the French and Belgian communications were the only item on the agenda, Monsieur van Zeeland was invited to be present at all sessions.

[3] See the *Survey for 1935*, vol. i, pp. 163–5.

back on its decision now, 'the authority of the League of Nations would suffer irreparable injury in the minds of all peoples'. He asked the Council

> to pronounce that a breach of Article 43 of the Treaty of Versailles has been committed by Germany, and to request the Secretary-General to notify the Powers signatories of the Locarno Treaty in accordance with Article 4 of that Treaty. This notification will enable the guarantor Governments to discharge their obligations of assistance. For its part the Council will have to consider how it can support that action by recommendations addressed to the members of the League of Nations.

Monsieur van Zeeland, before asking in his turn that the Council should notify the signatories of the Locarno Treaty that a breach of Article 43 of the Versailles Treaty had been committed, delivered a short but moving speech which made a deep impression on his hearers. To no country, he said, had the *coup* of the 7th March given such deep cause for anxiety as to Belgium:

> The demilitarization of the Rhineland constituted one of the essential elements of the system for our security, for, in proportion to the forces of the various countries, Belgium has the longest and most exposed common frontier with Germany. Moreover, the Treaty of Locarno was, with the Covenant of the League of Nations, the very foundation of our international status.

For Belgium, as for all small countries, 'respect for justice, an international organization based on law', was of vital importance, and Belgium's foreign policy had always been dominated by 'the respect for accepted obligations'. The pretext on which Germany attempted to justify her denunciation of the Locarno Treaty was 'quite obviously no concern of' Belgium's, and there was nothing in the present case which would justify Germany 'in modifying in any way the *de jure* and *de facto* relations existing between her' and Belgium. In Belgian eyes the Locarno Pact was 'still in being', and the 'obligations and assurances' which it involved for the signatories were maintained. At the same time Monsieur van Zeeland desired his country

> to contribute to the full in all efforts at reconstruction. In spite of all, we know well that, in the future, pacts will again have to be concluded, signatures exchanged, and an international structure re-established on the basis of law and respect for accepted obligations.

The most important business with which the Council had to deal on the 14th March was not discussed at the public meeting but in a secret session. This was the question whether a special invitation should be sent to Germany to attend the meeting. This course was strongly advocated by Mr. Eden, who, at the public session, had

confined himself to a few words of welcome, with a brief reference to the 'patent and incontestable breach of the provisions of the Treaty of Versailles relating to the demilitarized zone and of the Treaty of Locarno', and a promise of 'the fullest co-operation in all endeavours to establish peace and understanding among the nations of Europe upon a firm and enduring foundation'. The strongest opposition to the suggestion of inviting a German representative was said to have come from Monsieur Litvinov and from Monsieur Titulescu;[1] but their objections were finally overcome, and during the evening of the 14th March a telegram was despatched by the Secretary-General of the League inviting the German Government 'as a contracting party to the Locarno Treaty, to take part in the examination by the Council of the question of the communication from the French and Belgian Governments'. At the same time Sir Eric Phipps was instructed to express to Herr Hitler the British Government's view that an acceptance of this invitation would help to promote a settlement.

On the 15th March the following reply was received from the German Foreign Minister:

> The German Government is, in principle, prepared to accept the Council's invitation. It assumes in this connexion that its representative will take part on equal terms with the representatives of the Powers represented on the Council in the discussions and decisions of the Council. I should be obliged if you would confirm this assumption.
>
> The German Government must further draw attention to the following fundamental consideration. The German Government's action, which has been the occasion of the summoning of the Council by the Belgian and French Governments, does not consist merely in the restoration of German sovereignty in the Rhineland zone, but is bound up also with comprehensive concrete proposals to give a new assurance of peace in Europe. The German Government regards the political action which it has taken as being a whole, the component parts of which cannot be separated from one another. For this reason, the German Government can participate in the Council's proceedings only if it is assured that the Powers concerned are prepared to enter into negotiations forthwith in regard to the German proposals. The German Government will, with this object, place itself in touch with His Majesty's

[1] At a meeting on the 14th March between Monsieur Titulescu and the diplomatic representatives of Czechoslovakia and Jugoslavia in London, the complete solidarity of views of the three members of the Little Entente was said to have been established, but according to subsequent reports the Jugoslav Government were not ready to go as far as Monsieur Titulescu desired in the direction of supporting France and opposing Germany. (See, for instance, an article by Monsieur Lazare Marcović on 'Les Variations de la politique de Belgrade, 1935–6', which appeared in the *Journal Politique* in January 1937 and was reprinted as a pamphlet by Éditions 'Spes' (Paris, 1937).)

Government in the United Kingdom, under whose presidency the Powers concerned in the Rhine Pact of Locarno are met together for discussion in London.

The first effect of the receipt of this German telegram in London was to produce a marked increase in the tension. Monsieur Flandin told a group of journalists on the evening of the 15th March that the second of the German conditions for attendance was unacceptable.

I came to London [he said] in order to establish Germany's breach of treaty, and not to negotiate with the Reich. Otherwise, I should prefer to return to Paris and if necessary even cease to represent France at the League of Nations.

The impression that Germany was refusing to send a representative to London unless the other Powers agreed in advance to enter immediately into negotiations on the basis of the German proposals was principally due to the use of the word 'forthwith' in the official English translation of the telegram. The word in the German text which was translated 'forthwith' was 'alsbald', and when the news of the reaction in London reached Berlin an explanation was supplied to the effect that the word 'alsbald' would, in the German view, be more accurately rendered by the phrase 'in due course'. This elucidation was taken as a sign of Germany's acceptance of the principle that the examination of the German proposals of the 7th March should succeed, and not be simultaneous with, the examination of the question of the breach of the Locarno Treaty, and by the time when the Council met again on the afternoon of the 16th March the tension had relaxed to a certain extent. The German telegram of the 15th March was examined in secret session, and although the discussion was understood to have been heated at times,[1] an agreement was finally reached. The question of Germany's participation on equal terms with other Council members was settled by the ruling, which was in accordance with the usual practice in similar cases, that the parties to the dispute should be entitled to join in the discussion, but that their votes should not be counted for the purpose of establishing unanimity. It was finally decided, apparently on Mr. Eden's suggestion, that the Council should declare itself incompetent to give an answer to Germany's second question on the ground that the Council had been seized only of the violation of the Treaty of Locarno and not of the German proposals of the 7th March, so that the question of negotiations for a new settlement

[1] Monsieur Flandin was said to have declared that he was tired of evasions of the real issue, and to have hinted at the possibility that his Government might yet order mobilization.

was not at present within its province. The Danish representative, Dr. Munch, was said to have pleaded for the inclusion of some reference to the German proposals in the Council's reply and to have received some support from the Chilean delegate, but the majority of opinion was against any extension of the scope of the Council's discussions at present. The Secretary-General of the League was accordingly instructed to inform Herr von Neurath that Germany would

> participate in the examination by the Council of the question submitted by the Belgian and French Governments on the same terms as the representatives of the other guaranteed Powers whose situation under the Treaty is the same as that of Germany—that is with full right of discussion, the votes of the three Powers not being counted in calculating unanimity. In regard to the second question, it is not for the Council to give to the German Government the assurance which it desires.

On the 17th March, after the German Government had received this telegram from Monsieur Avenol, they appealed to the British Government through the British Ambassador in Berlin to 'do their utmost in the circumstances of the case to bring about at the proper time a discussion of the German proposals with the interested Powers'. Mr. Eden, after consulting Monsieur Flandin and Monsieur van Zeeland, replied to this appeal as follows:

> His Majesty's Government are doing and will continue to do their utmost to find a means of bringing about a peaceful and satisfactory settlement of the present difficulties.
>
> It is clear to the British Government that the proposals of the Chancellor, as well as any proposals made by other parties concerned, must be discussed at the proper time. The German Government will appreciate, however, that it is not possible for the British Government to give any more explicit undertakings at this stage.

This reply was accepted as satisfactory in Berlin—partly, perhaps, because it indicated that the British Government had not yet identified themselves with the French point of view that Britain's proper rôle was that of guarantor and not mediator—and on the evening of the 17th March the German Government notified the Secretary-General of the League that Herr von Ribbentrop had been appointed to represent them at the Council, and that he would be available in London from the morning of the 19th March. Thus a first step had been taken in the direction of bringing France and Germany together. The French objection to entering into negotiations with Germany before she had made an act of reparation had been met by the decision that the discussions in the Council which a German

representative was to attend should be confined to the question of the violation of the Locarno Treaty, while the German Government had tacitly agreed to waive the second condition mentioned in their telegram of the 15th March. There was no guarantee that Herr von Ribbentrop (who was accompanied by Herr Dieckhoff, the head of the Political Department of the German Foreign Office, and by several other delegates) would be able to make any progress in securing the consideration by the Locarno Powers of the German memorandum of the 7th March, although it was no doubt hoped in Berlin that he would be able to perform other functions in London besides that of listening to the formal condemnation of Germany as a treaty-breaker. Herr von Ribbentrop's selection for the post of German representative was apparently determined not only by his close personal relations with Herr Hitler, whose confidence he possessed in an unusual degree, but also by the Führer's belief that he was *persona grata* in London, and would be able to further Germany's cause by personal contact with members of the Government and other influential persons. Meanwhile, on the 16th March, between the secret session to consider the reply that was to be sent to Germany and the announcement of the terms of the telegram which the Secretary-General had been instructed to despatch, Monsieur Flandin, with Monsieur van Zeeland's approval, had presented to the Council the text of a resolution formally establishing Germany's breach of treaty.

> The Council . . . finds that the German Government has committed a breach of Article 43 of the Treaty of Versailles by causing, on the 7th March, 1936, military forces to enter and establish themselves in the demilitarized zone referred to in Article 42 and the following articles of that Treaty and in the Treaty of Locarno; instructs the Secretary-General, in application of Article 4, paragraph 2, of the Treaty of Locarno, to notify this finding of the Council without delay to the Powers signatories of that Treaty.

This resolution was discussed on the 17th and 18th March. On the afternoon of the 17th, after the telegram announcing Herr von Ribbentrop's appointment had been received, the Council went into secret session in order to decide whether the discussion on the Franco-Belgian resolution should be adjourned until after the German representative had arrived. Monsieur Flandin urged, with a good deal of warmth, that there should be no further delay, and Monsieur van Zeeland supported him. The principal advocates of adjournment were Denmark and Poland, with the support of two Latin-American members of the Council, Argentina and Chile; and the President of the Council, Mr. Bruce, also inclined to this side

(from motives, he was reported to have said, of politeness). Eight of the thirteen Council members, however, were in favour of continuing the discussion at once, though it was agreed that the vote should not be taken until the German representative had arrived and had been given a hearing.[1]

The outstanding speech in the debate on the Franco-Belgian resolution was that delivered by the Russian representative on the 17th March. Monsieur Litvinov made a long and extremely outspoken statement (he explained the 'complete frankness' with which he expressed his views on the ground that the manner in which Herr Hitler allowed himself 'to speak in public' of the U.S.S.R. liberated him 'from the necessity of resorting to circumlocution and diplomatic niceties'). He not only criticized the reasons for which the German Government claimed that they were justified in reoccupying the Rhineland, but also attacked their motives in putting forward the memorandum of the 7th March—and this in spite of the Council's decision on the previous day that it was not competent at present to examine the German proposals. Monsieur Litvinov quoted a passage from Herr Hitler's *Mein Kampf* in support of his deduction that Germany required the remilitarization of the Rhineland zone for the purpose of 'setting up the hegemony of Germany over the whole European continent'; and he asked his hearers: 'Must and shall the League of Nations condone the promotion of this objective?' As for the German proposals, Monsieur Litvinov declared that the offer of a new Western Pact was intended,

> while depriving France and Belgium of certain guarantees with which they were provided by the Locarno Treaty . . . to retain for Germany all the benefits of that Treaty in their totality.

The offer of bilateral pacts of non-aggression with Germany's eastern neighbours he condemned as an attempt at 'the localization of war'—since every state which had signed such a pact with Germany would be 'immobilized by her in the event of Germany attacking a third state'. The German memorandum therefore gave Monsieur Litvinov the impression that the Powers were

> faced with a new attempt to divide Europe into two or more parts, with the object of guaranteeing non-aggression for one part of Europe in order to acquire a free hand in dealing with other parts.

[1] The German Ambassador in London was asked to ascertain whether it would be possible for Herr von Ribbentrop to arrive in London in time for an afternoon meeting on the 18th March, but the reply was that this was technically impossible. An alternative suggestion that Herr von Hoesch might himself represent his Government until Herr von Ribbentrop arrived was also rejected.

He dismissed Herr Hitler's offer to return to the League as of little value. Germany's renewed membership would only be a source of strength when she had

> recognized those fundamental principles on which the League rests, and without which it would not only cease to be an instrument of peace, but eventually might be transformed into its opposite.

In conclusion, Monsieur Litvinov explained that he was anxious not to create an impression that

> the Soviet Union is proposing only registration, condemnation, severe measures and nothing else; that it declares itself against negotiations and a peaceful settlement of the serious dispute which has arisen. . . . We are resolutely against anything that might bring a war nearer by even a single month. But we are also against hasty decisions, dictated rather by excessive fear and other emotions than by a sober reckoning of realities. . . . We object to the idea that withdrawal from the League of Nations, brutal infringement of international treaties and sabre-rattling should confer upon a state the privilege of dictating to the whole of Europe its conditions for negotiations, of selecting the participants in those negotiations to suit its convenience, and of imposing its own scheme for an agreement. We are against negotiations proceeding on a basis which disorganizes the ranks of the sincere partisans of peace, and which must inevitably lead to the destruction of the only inter-state political organization—the League of Nations. We are of the opinion that the sincere partisans of peace are no less entitled than the breakers of treaties to propose their scheme for the organization of European peace. We are for the creation of security for all the nations of Europe, and against a half-peace which is not peace at all but war.

The speech which Mr. Eden made on the 18th March, in contrast with that of Monsieur Litvinov, laid stress on the conciliatory function of the Council and on the need for rebuilding the 'structure of security and confidence' which had been seriously shaken by Germany's action. Confidence could only be restored 'if each nation that has the power to do so will make a constructive contribution to this end', and it was for this reason that His Majesty's Government had suggested to the German Government 'that they should, pending negotiations, take such action in the demilitarized zone as would restore confidence among the nations'. Mr. Eden saw two elements in the situation of which advantage might be taken 'in the work of appeasement and reconstruction'. The first was

> that the breach, however plain, does not carry with it any imminent threat of hostilities, and has not involved that immediate action for which, in certain circumstances, the Treaty of Locarno provides.

The second was that

> the situation, however grave, carries with it an opportunity. . . . It is essential, not merely that peace should be maintained, but that the

> spectre of war should be exorcised for the future. To that end all lines of approach should be examined. Contributions to the restoration of international confidence . . . and to the creation of security will be required from all, and more particularly from those of us who are the Great Powers of Western Europe. . . . In any such examination, in the work of reconstruction, and, in particular, in the organization of security in Western Europe His Majesty's Government will play their full part.

Of the other members of the Council whose representatives took part in the debate, Signor Grandi declared that his Government were fully conscious of their responsibilities under the Treaty of Locarno and would remain true to their obligations, but he drew attention at the same time 'to the contradiction which exists between the position of a country subjected to sanctions and the duties of a guarantor Power incumbent upon it'.

Colonel Beck, for Poland, made a non-committal speech in which he laid stress on the importance of the consolidation of normal relations between the countries of Europe which was 'the fundamental condition of European security', and referred to the improvement in the relations between Germany and Poland which had followed the declaration of January 1934.[1] Dr. Munch, for Denmark, declared himself ready to support the Franco-Belgian resolution, but at the same time he gave 'expression to the profound and increasing disquietude caused by the present trend of international politics in those countries that do not belong to any of the political groups into which Europe is divided', and urged the necessity for 'a reconciliation among the nations—above all, among the great nations on whom the fate of mankind depends'. Monsieur Titulescu, speaking in the name of the members of the Little Entente, declared that those states could not 'be indifferent to French security, seeing that, as a result of the bonds which unite us, it forms part of our own security'. He held that the German memorandum of the 7th March should be discussed, but only 'at the proper moment, and that means after the previous question raised by the French and Belgian Governments has been satisfactorily settled'.

At a public session on the morning of the 19th March Herr von Ribbentrop, who had arrived in London on the previous afternoon, was given a hearing, and the Council then adjourned, at his request, to consider his statement before the vote was taken on the Franco-Belgian resolution. In his long speech, Herr Hitler's Ambassador-at-large went over once again the German objections to the Franco-Russian Pact, and he frankly admitted that the grounds for these objections were political as well as legal. He referred to the 'ex-

[1] See the *Survey for 1935*, vol. i, Part I, section (vii) (*a*).

tremely hard obligation' to maintain the demilitarized zone which Germany had accepted when she signed the Locarno Treaty, and he expressed the belief that 'from the standpoint of a higher justice, such a limitation of the most elementary sovereign rights alone would, in the long run, be almost more than could be borne by any nation'. For reasons which Herr von Ribbentrop expounded at length, the German Government took

> the view that the Franco-Soviet Treaty, both in its letter and in its political meaning, is in contradiction to the Western European security system of Locarno, and that, accordingly, the Rhine Pact of Locarno has been violated by the unilateral action of France and is thus, in point of fact, terminated. . . . When the French Chamber ratified the Franco-Soviet Pact, the German Chancellor, conscious of his obligations and his responsibility for the destiny and security of the people entrusted to him, drew the only possible consequence of France's action. He re-established the full sovereignty of the Reich over the whole German territory. The determining factor in this decision of the German Government was the political consideration and its regard, in accordance with its actual duty, for the fact that: (1) the Pact of Locarno, through the unilateral action of France, has been stripped of its value and thus destroyed both in its letter and in its historical meaning; (2) in view of the new Franco-Russian military alliance, Germany must claim without further delay the most elementary right of a nation to take measures to secure its own territory. The German Government must therefore reject, as unfounded and unjust, the reproach of a unilateral breach of the Locarno Treaty. It was no longer possible for it to break a treaty which, in point of fact, by the action taken by the other party, had ceased to exist.

To the accusation that Germany ought to have referred the question of the compatibility of the Franco-Russian Pact with the Locarno Pact to arbitration or to have sought a settlement by means of negotiation, Herr von Ribbentrop replied by referring

> to the decisive fact that we are here concerned with a problem which, besides its purely legal aspects, is of undoubted political importance of the first magnitude, and its proper clarification and solution cannot therefore be expected of a judicial body. It would have been just as unlikely for the German Government . . . to have obtained satisfaction by way of negotiations with the signatory Powers. After all the experiences of the last few years and after the way in which things have developed . . . it was clear to the German Government that this method would never have achieved practical results. . . . Two things were plain to the German Government: (1) France was no longer prepared to give up the Treaty with the Soviet Union; and (2) France would not have been prepared to grant Germany the only possible compensation for the coming into force of this alliance—namely, the restoration of Germany's sovereignty over the western provinces of the Reich.

Herr von Ribbentrop did not analyse or comment upon the proposals contained in the German memorandum of the 7th March, but he laid stress on Germany's readiness to conclude a lasting settlement.

> Now that the sovereignty of the Reich over its whole territory has been accomplished and the equality of rights ardently desired for so many years has thus at last been established, the German people are willing and ready finally to close the sad chapter of moral and legal confusions and misunderstandings in Europe, of which they have been the chief victim. With the termination of the Locarno Treaty, the last relic of those discriminating conditions, born of the spirit of hatred and imposed on a great people, has vanished too. . . . The German people has now only one sincere desire: to live in peace and friendship with its neighbours, and from now onwards to co-operate to the best of its ability in the building up of a real European solidarity.

It was in this spirit that the German Chancellor had conceived his 'historical and unique offer', to the 'secular importance' of which Herr von Ribbentrop called attention, although he was aware that the Council was 'not the competent body for dealing with the suggestions'.

> Together with the restoration of German sovereignty [the proposals of the 7th March] represent one political unit and can, therefore, not be left out of account by the Council in any endeavour to reach historically sound conclusions on the political character and the mentality underlying an action which, by removing the last remnants of discrimination among the great European nations, lays the foundation for a new great European community of the future.

The Council met again in public session on the afternoon of the 19th March in order to vote on the Franco-Belgian resolution formally declaring Germany guilty of a breach of the Versailles and Locarno Treaties. The vote was taken by roll-call, and Herr von Ribbentrop was the only delegate present who voted against the resolution, though the Chilean representative abstained from voting,[1] and the representative of Ecuador did not attend the meeting.[2] The votes of Herr von Ribbentrop, Monsieur Flandin and Monsieur van Zeeland, as the representatives of the interested parties, were not counted, and the resolution was declared to have been adopted unanimously. Herr von Ribbentrop entered a formal protest—de-

[1] Señor Edwards, the Chilean delegate, had suggested at an earlier meeting that the Permanent Court of International Justice should be asked to decide whether there had in fact been a violation of the Locarno Treaty—a matter on which he declared himself unable to pronounce.

[2] An Ecuadorean representative had attended the first meeting of the Council on the 14th March, but no subsequent meetings. His absence was said to be due to illness.

claring that 'the German Government and the whole German nation are convinced that the resolution which the Council has adopted will not be ratified by history'—whereupon Monsieur Flandin took occasion to 'point out that, under international law, no one has the right to take the law into his own hands' and to repeat the declaration that the French Government, for their part, were ready to submit the dispute for settlement to the Permanent Court of International Justice.

The Council had thus fulfilled the purpose of passing judgment upon Germany for which it had been summoned by France and Belgium, but it remained for it to decide what its function in regard to the dispute was to be in future. A meeting to discuss procedure was held on the afternoon of the 20th March, at which the President announced that he had received from Mr. Eden the text of the proposals which had been drawn up by the representatives of the Locarno Powers on the previous day.[1]

Included among these proposals was a draft resolution to be presented to the Council. This resolution reaffirmed the principle of scrupulous respect for treaty obligations, noted that the German Government's unilateral action conferred upon them no legal rights, and 'by introducing a new disturbing element into the international situation, must necessarily appear to be a threat to European security', and took note of the declaration of the four Locarno Powers that they considered the rights and obligations resulting from the Treaty of Locarno to be still in force, and of the communication from the four Powers 'on the subject of the measures contemplated in respect of the situation created by the violation of the zone defined in Article 42 of the Treaty of Versailles'. The resolution also recommended two definite steps which the Council might take: the appointment of a committee to be entrusted 'with the task of making proposals to it with regard to the practical measures to be recommended to the members of the League of Nations', and the despatch of an invitation to Germany to submit to the Permanent Court of International Justice the juridical question of the compatibility between the Franco-Russian Pact and the Locarno Treaty and to declare herself ready to comply with the decision of the Court.

After a good deal of discussion on procedure, it was decided that the members of the Council needed time to examine the proposals and the draft resolution, and the meeting was therefore adjourned for a few days. During this preliminary debate there was evidence that representatives of several Powers (including Russia and Poland

[1] See pp. 291–4, above.

as well as the smaller states members of the Council) felt some resentment at what they regarded as an attempt on the part of a small group of Powers to dictate to the Council, and both Mr. Bruce, as President of the Council, and Mr. Eden found it necessary to emphasize that the resolution attached to the Locarno Powers' proposals was only a draft, and that it rested with the Council to decide what action it should take. The feeling of suspicion was not entirely dispelled, however, and it was strengthened by the uneasiness of the 'neutral' group of states of which Dr. Munch was the spokesman on the Council lest they should become entangled in a dispute which did not directly concern them.[1] Moreover, during the interval between the Council's meeting on the 20th March and its final meeting in London on the 24th, it became clear that the Locarno Powers' proposals of the 19th March were not likely to be accepted by Germany, and that the approval of Italy, whose representative had taken part in drafting them, was also far from certain. Doubt as to the attitude of Italy appears to have been the factor which weighed most heavily in the minds of Council members when they had to decide what line they should themselves adopt in regard to the Locarno Powers' proposals. On the 24th March, at a short private meeting of the Council, Mr. Bruce announced that, since the document containing the proposals had been sent to the Council 'in order to keep it advised of the situation', and since 'the matter at the present stage was still under consideration' by one at least of the Governments concerned, 'there was no matter actually before the Council for its discussion'. He therefore suggested that the Council should not close the session, but should 'adjourn and meet again at the earliest possible date, as soon as there was any useful part it could play in the solution of the difficulties with which the world was confronted'. This suggestion was approved, and the Council adopted a resolution thanking Mr. Eden for his communication transmitting the Locarno Powers' proposals; expressing the opinion 'that any further action on its part should remain in abeyance for the present, in view of the conversations which are being carried on'; inviting the Governments 'to keep it advised of the progress of the said conversations'; and deciding 'to meet again as soon as circumstances render further consideration of the question desirable'.

[1] The representatives in London of the Scandinavian states, the Netherlands, Switzerland and Spain met on the 21st March on Dr. Munch's invitation to consider the situation. They were said to have agreed that the Council, and the League as a whole, ought to confine themselves strictly to their obligations under the Covenant and avoid any unnecessary entanglement in the situation which had been created by Germany's action on the 7th March.

With the adoption of this resolution, the Council, while nominally adjourning the discussion, actually terminated its part in the proceedings and left it to the Locarno Powers to endeavour to find a way out of their difficulties.

(*f*) Negotiations on the Locarno Powers' Proposals of the 19th March, 1936, and the German Counter-Proposals of the 31st March, 1936

The Locarno Powers' proposals of the 19th March, 1936, were approved with the minimum of delay by three out of the four Governments whose representatives had been engaged in drafting them. Monsieur Flandin flew back to Paris on the afternoon of the 19th March, after he had recorded his vote in favour of the Franco-Belgian resolution at the Council meeting, and presented the proposals that same evening to the French Cabinet, which approved them forthwith. On the following day Monsieur Flandin explained the proposals and the Government's reasons for considering them satisfactory to the Chamber.[1] The Government would, he said, have preferred the full re-establishment of the authority of international law by a return to the situation which had existed before the 7th March. This result might have been obtained if the Locarno Powers could have agreed to exercise sufficient pressure on Berlin, but he had soon convinced himself that no such agreement could be reached. If he had insisted on a policy of force or of economic sanctions he would have lost the support of the other Locarno Powers, and he had therefore agreed to the proposals—the acceptance of which by Germany would open a new prospect of peaceful consolidation, while their rejection would create a situation which must immediately be reconsidered. In regard to the actual measures which Germany was being asked to accept, Monsieur Flandin pointed out that the installation of international troops in the Rhineland zone would 'show that international law had won the day'; and he went out of his way to forestall any suggestion from Germany that the neutral zone should extend across the frontier by remarking that there was no question of an international force occupying any portion of French or Belgian territory. 'That would be a monstrous iniquity which could never have been accepted by a French negotiator.' Monsieur Flandin drew attention to the fact that he had not abandoned the standpoint that an act of reparation by Germany must precede negotiations for a new settlement. 'Negotiations on

[1] Extracts from his statement are printed in *Documents on International Affairs, 1936*, pp. 137–43.

the subject of the new status of the Rhineland, and on other subjects, will not be opened with Germany until she has expressly accepted all the preliminary conditions, which form an indivisible whole.'

Monsieur Flandin laid most stress on the guarantees of assistance which had been obtained from Great Britain—which constituted, indeed, the principal inducement to the French Government and people to accept the arrangement of the 19th March.

> Against Germany's solemn repudiation [of the Locarno Treaty] the four other signatory Powers have affirmed on the 19th March that Locarno still exists. They confirm the principles of the treaty. They recognize reciprocally the rights arising out of the treaty so far as they are concerned. They continue to accept the obligations. Nothing has changed, unless it is that, by reason of the German repudiation, henceforth and until the treaty has been regularly abrogated the guarantees which the treaties provided in favour of Germany, France and Belgium will apply to France and Belgium only. This is a great improvement from the point of view of our security. In so far as the entry of German forces into the demilitarized zone created, if not a threat, at least the possibility of a future threat, it was important that the action of the guarantors could be taken rapidly and thus more efficaciously. In full agreement with the Belgian delegation, the French delegation insisted upon drawing up at once agreements to ensure the application of the military guarantees, since, in the absence of such agreements, there might be delay in furnishing the promised assistance when the occasion arose. The British Government accepted this proposal. . . . This decision . . . marks a decisive stage in the post-war relations between France and Great Britain. . . . It means for us the accomplishment of a persistent effort, of a conception of solidarity against the threat of war. . . .

There was no debate or vote when Monsieur Flandin had concluded his statement, but some three-quarters of the deputies present marked their satisfaction by rising to their feet to applaud Monsieur Flandin as he left the tribune. His peroration, in which he called for national unity in defence of French security and of peace, had indeed drawn applause from the whole House, including members on the extreme Right and the Communists.

The Belgian Prime Minister made his report[1] on the new agreement to the Chamber of Deputies on the 20th March, after it had been approved by the Cabinet. Monsieur van Zeeland declared that the risk of war would disappear when the measures agreed upon by the Locarno Powers had been carried out. If Germany accepted the proposals, the difficulties would be over for the time being, and, if she refused them, the position of the Western Powers would still be strengthened by the arrangements for mutual assistance which they had made.

[1] Extracts will be found in *op. cit.*, pp. 143–51.

In Great Britain the Locarno Powers' proposals were approved by the Cabinet on the evening of the 19th March, and Mr. Eden gave an account of the proposals and of the negotiations which had led up to them to the House of Commons on the following day.[1] Mr. Eden explained that

> the main objective of His Majesty's Government [was] to restore confidence in international law and create conditions in which an effort may be made to rebuild European stability. . . . The restoration of confidence is no easy task, for it has been rudely shaken. Our main difficulty therefore has been to bridge the gap in time which will be necessary to enable negotiations for the re-establishment of a system of security in Europe to be effectually undertaken and carried to a conclusion.

After describing the measures which Germany was asked to accept during this 'interim period', Mr. Eden went on to deal with the British contribution.

> For our part, in addition to undertaking to supply detachments to an international force, we are making a contribution to the restoration of confidence by joining in a reaffirmation of our Locarno obligations and by arranging for contacts between the General Staffs of the guarantor Powers and those of France and Belgium. I need hardly say that the sole object of these conversations would be to meet the possibility of any unprovoked aggression.

Mr. Eden expressed the opinion that

> these proposed arrangements to create a sense of security during the period of negotiation are fair and reasonable and indicate the spirit in which the question has been approached by the French and Belgian Governments.

Germany was being 'asked to make certain contributions', but in the situation which had been created by Germany's action on the 7th March it was 'very reasonable to ask Germany to make contributions'.

In regard to the actual negotiations, Mr. Eden told the House that what was proposed was

> that in the first instance the five signatories of Locarno should enter into negotiations on the basis, first, of 'the proposals, several of the proposals,' made in the German memorandum of the 7th March; secondly, of the revision of the status of the Rhineland; thirdly, of the drawing up of mutual assistance pacts open to all the signatories of the Treaty of Locarno. The next stage of negotiation is a world conference to be held under the auspices of the League of Nations to consider in order certain other proposals made by the German Chancellor, the questions of security and of limitation of armaments and of economic relations between the nations.

[1] For the full text of Mr. Eden's statement, see *op. cit.*, pp. 133–7.

Mr. Eden then explained that it had also been necessary to 'envisage the possibility of the failure of the proposed negotiations', and that it was therefore

> proposed that His Majesty's Government in the United Kingdom and the Government of Italy should address letters to the Governments of France and of Belgium indicating what their position in that event would be.

Mr. Eden's statement was made on the motion for the adjournment and there was no debate on it—the leader of the Opposition remarking that it was 'the endeavour of all of us not to embarrass [the Foreign Secretary] and his colleagues during this very difficult time in his most responsible task'. Mr. Attlee did, however, pay a tribute to the 'statesmanlike moderation of both France and Belgium', and he also showed some uneasiness lest Mr. Eden, in his account of the negotiations which were proposed, had intended 'to suggest that peace would be secured merely by a Western settlement'. To this Mr. Eden replied that his 'reference to Western Europe was only in connexion with the efforts which we must make to replace the Locarno Treaty, which is the treaty concerned with Western Europe'. His statement, he thought, 'made it quite plain that our objective is very much wider than that'—an affirmation which was greeted with applause.

While the Governments of France, Belgium and Great Britain had thus acted as rapidly as possible both in approving the proposals of the 19th March and in reporting on them to their respective Parliaments, the fourth Government concerned displayed no such promptitude. Signor Grandi had initialled the proposals, but had reserved his Government's attitude, and the receipt of the text of the proposals in Rome was followed by complete silence so far as any official statements on the subject in public were concerned. There was a report, however, that Signor Mussolini had informed the French Ambassador that he did not intend to sign the agreement until he had received a definite assurance that sanctions against Italy would be raised, and whether this report was literally true or not, it evidently described the Italian attitude with sufficient accuracy.

The initialling of the agreement of the 19th March and its approval by three of the four Governments concerned marked the end of the most acute phase of the crisis; and the British Government, having made their own 'contribution to the restoration of confidence', now concentrated their efforts on the attempt to obtain a contribution from Germany which would make it possible to bring the interim

period definitely to an end by the opening of negotiations for a 'new Locarno'. The Locarno Powers' proposals were explained in outline by Mr. Eden to Herr von Ribbentrop on the evening of the 19th March, and the full text was in the German emissary's hands that same night. The reaction to the proposals in Germany, however, made it clear at once that there was no chance that they would be accepted as they stood. Herr von Ribbentrop, in his speech before the Council, had already indicated the fate of the proposal for referring the legal question to the Permanent Court of International Justice when he declared that the 'proper clarification and solution' of a question of political importance could not 'be expected of a judicial body'. The idea of arbitration was rejected out of hand in German press comment on the proposals, but it did not evoke such a storm of protest as the suggestion that an international force should be stationed on the German side of the frontier in the Rhineland. The agreement for contact between the General Staffs of the guarantor Powers and France and Belgium was also attacked, and the whole document was declared to have been conceived in the spirit of Versailles. On the 20th March, after a preliminary examination of the proposals, Herr Hitler referred to them in a speech at Hamburg in terms which left little doubt that they were unacceptable in part if not in whole. There would, he said, be no relinquishment of the principle of equal rights, and the Government would take no step that was incompatible with Germany's honour. Herr von Ribbentrop's report on the proceedings in London, which he made in person on the 21st March (having flown from England during the day), did not put the proposals in a more favourable light, and the more extreme members of Herr Hitler's *entourage* were said to have advocated rejecting them outright. In deciding against this course Herr Hitler no doubt took account of evidence supplied by Herr von Ribbentrop that British public opinion was critical of certain items in the proposals, and he was also influenced by the manner in which the agreement of the 19th March had been recommended to Germany's attention by the British Government.

The item in the proposals of the 19th March which had called forth the deepest disapproval in Great Britain was the suggestion that an international force should be stationed on the German side of the frontier and that Italian troops should form part of it—a suggestion which perhaps would have been still more strongly criticized if it had not been generally recognized as a tactical manœuvre on the part of the British Government, which had been adopted in order to induce the French Government to drop their demand for the

withdrawal of some at least of the German troops. The proposal for arbitration by the Permanent Court was also felt by many British observers to be both unnecessary and harmful. It was pointed out that, by the terms of the agreement of the 19th March,[1] the initiation of negotiations was not to depend upon the Court's decision, or upon Germany's acceptance of that decision, so that the Court's judgment would have no practical effect. The suggestion, it was held, could therefore only do harm in so far as it was certain to cause annoyance to Germany. It was evident that the British Government themselves were far from regarding the plan of the 19th March as definitive. As Mr. Eden frankly told the House of Commons on the 26th March,[2] the justification for the proposals was 'that at a moment of crisis they allayed the immediate prospect of steps being taken which might have led to war. They earned us a breathing space . . .' Having thus averted an immediate crisis, the British Government gave the German Government a very strong hint that they need not accept the proposals of the 19th March as they stood.

In his interviews with Herr von Ribbentrop, Mr. Eden

> emphasized that the contents of the documents which had been communicated to him were in the nature of proposals [and] made it clear that His Majesty's Government hoped that the German Government would be in a position to accept them, but that in any event His Majesty's Government felt that the German Government should assist them in their task by making some constructive contribution to improve the situation.[3]

Representations to the same effect were made by Sir Eric Phipps to Herr von Neurath in an interview on the 22nd March.

This virtual invitation to present counter-proposals could hardly be neglected by the German Government at a time when they had particularly strong motives for not alienating the Government which proffered it; and on the 24th March Herr von Ribbentrop returned to London with a provisional reply to the proposals of the 19th March.

This German note[4] of the 24th March began by restating the principles and motives underlying the German Government's

[1] See p. 291, above.

[2] For Mr. Eden's statement of the 26th March, see pp. 315–7, below.

[3] Mr. Eden in the House of Commons on the 23rd March in answer to a parliamentary question.

[4] A translation of the text was published in the White Paper *Miscellaneous No. 6 (1936)* [*Cmd.* 5175]. It will also be found in *Documents on International Affairs, 1936*, pp. 154–7.

attitude.[1] The Locarno Powers' 'proposal for a draft treaty' was declared to contain

> not one of the necessary conditions for the successful organization of a real lasting peace, since it is based on a new discrimination which is intolerable for a great nation and on a repeated attempt once more to lay down Germany's inequality of rights with the other states. . . . The German Government must therefore reject all the provisions of the proposals of the Locarno Powers which are liable once more to infringe the honour of the nation or to bring into question or do away with its equality of rights.

The German Government declared, however, that they had 'the most profound and earnest desire to make an important contribution to the peace of Europe' and that, 'recognizing their co-responsibility for the fate of the European peoples', they believed

> that they must comply with the suggestions of His Britannic Majesty's Government in order, for their part, by presenting any possible new proposals, to contribute to a solution of this European question.

They concluded by explaining that during the last week of the election campaign they could not afford the time necessary to complete the new detailed proposal which they intended to present, but that Herr von Ribbentrop was returning to London at once 'for a verbal discussion of a few important questions', and that they would 'present to His Britannic Majesty's Government their carefully considered attitude and their positive proposals on Tuesday, the 31st March'.

Herr von Ribbentrop presented this interim reply to Mr. Eden at the Foreign Office on the evening of the 24th March. He had another interview with the Foreign Secretary on the 25th and he also saw Mr. Baldwin before returning to Germany on the 27th to take part in the final phase of the election campaign. In these conversations it seems to have been assumed on both sides that the proposal for the despatch of an international force to the Rhineland had lapsed, and the efforts of the British Ministers were directed towards convincing Herr von Ribbentrop that what was required of Germany was not revised long-range proposals, but, as Mr. Eden had told the House of Commons on the 20th March, some immediate contribution to the restoration of confidence. Herr von Ribbentrop, however, held out no hope that Germany would make a concession either in regard to arbitration by the Permanent Court or in regard to the more important matter of an undertaking to refrain from building fortifications in the Rhineland. Mr. Eden told the House of Commons on

[1] These introductory paragraphs were referred to in the British questionnaire which was presented to the German Government on the 7th May, and the relevant passages are quoted on p. 336, footnote 2, below, in that connexion.

the 26th March that no contribution from the German Government had been

> forthcoming, save the Chancellor's undertaking not to increase the number of troops that originally entered the zone. While admitting the importance of that, quite frankly in the present international situation that is not enough. If in addition to that the German Government would give an undertaking that for the period of negotiations it would not fortify the zone, that would give us something to work upon, but I am informed that it is not possible for it to give even that undertaking.

These Anglo-German verbal discussions did not therefore bring a solution of the immediate difficulties any nearer. It was possible to hope that Herr Hitler might be more inclined to make a helpful gesture when the election of the 29th March was over, but the response to the representations which Mr. Eden and Mr. Baldwin had made to Herr von Ribbentrop was not such as to give grounds for the expectation that the new German proposals which were promised for the 31st March would contain any 'contribution to the restoration of confidence' that was likely to satisfy France in her present mood. By the last week of March the campaign for the parliamentary elections which were to be held in France at the beginning of May was in full swing, and it was evident that a Government who were asking for a renewal of their mandate from the electorate would not be prepared to modify substantially a policy which they had reason to believe was approved by a majority of the outgoing members of Parliament. With the possible exception of the proposal for the despatch of an international force to the Rhineland (in France, as in Great Britain, this was recognized to be of little or no practical importance),[1] there was a strong feeling that either the preliminary conditions for negotiation which had been laid down in the proposals of the 19th March must be accepted by Germany as a whole or else the negotiations must be considered to be at an end—when the British 'letter of guarantee' attached to the proposals would (in the French view) automatically come into force.[2] The French Government took the line that they had made substantial concessions by abandoning their demand for the evacuation of the demilitarized zone and by refraining from raising the question

[1] It has been indicated that the suggestion for an international force, and its acceptance by the French Government, had been in the nature of a face-saving manœuvre. To French minds it appeared that Germany would in fact have been more likely to accept a demand for a partial withdrawal of troops than to agree to the establishment of a unilateral neutral zone.

[2] The 'letter of guarantee' had not yet been despatched, owing to uncertainty as to the Italian attitude, but in French eyes it was already binding upon the British Government.

of sanctions, and that it was now most decidedly Germany's turn to give way. French opinion was therefore considerably disturbed when it became known that the British Government had indicated to the German Government that the proposals of the 19th March might be modified if they were unacceptable to Germany. The view that the Locarno Powers' proposals must be taken as they stood was emphasized again by Monsieur Flandin in conversation with representatives of the press on the 23rd March; and the French Foreign Minister, who left Paris on the following day to take part in the election campaign in his constituency, was also reported to have let the British Government know that he did not intend to reconsider the proposals of the 19th March, and that he would refuse to return to London to discuss German counter-proposals. French views on the subject were explained to Mr. Eden in London by Monsieur Paul-Boncour, who had not returned to Paris with Monsieur Flandin, and by the French Ambassador in London, Monsieur Corbin. In these interviews the French representatives were said to have emphasized the special importance of getting an undertaking from Germany on the question of fortifications in the Rhineland, and to have urged that the General Staff talks which had been agreed upon in principle on the 19th March should take place without further delay.

This French attitude considerably increased the anxiety which had been making itself felt in Great Britain since the publication of the proposals of the 19th March lest the obligations to give assistance to France and Belgium into which the British Government had entered were actually—as the French appeared to think—equivalent to a binding military alliance. Some doubt was expressed whether the British Government had not, in fact, in their endeavour to keep the balance between France and Germany, committed themselves to the support of French policy in all circumstances. The proposed staff conversations, in particular, awoke uneasy recollections of the secret Anglo-French military conversations which had taken place before 1914, without the knowledge even of most of the members of the British Cabinet, and gave rise to the fear that Great Britain might find herself automatically committed to participation in France's quarrels. This uneasiness was reflected in a debate which took place in the House of Commons at Westminster on the 26th March, when, for the first time, members of Parliament had an opportunity of expressing their views on the situation as a whole.

Mr. Eden, who opened the debate, devoted a considerable part of his speech[1] to a defence of the proposals of the 19th March against

[1] For the text see *Documents on International Affairs, 1936*, pp. 159–71.

criticisms of the British guarantee. The undertaking which the British Government gave in respect of the interim period before negotiations began was, said Mr. Eden,

> deliberately designed to compensate for the loss of security suffered by France and Belgium at this time owing to the violation of the demilitarized zone. . . . The undertaking is strictly limited and it is clearly defined. The staff conversations are only for the purpose of obligations under the Locarno Treaty. They are purely technical conversations. They can in no measure increase our political obligations. We shall ask, and indeed insist, that some such paragraph as this shall be the understanding upon which those conversations take place. 'It is understood that this contact does not imply any political undertaking or any obligation as regards defence organization between the two parties.' I do not anticipate any great difficulty in securing this undertaking, because as it happens those very words are drawn from an agreement between Belgium and France.[1] I think we must clearly distinguish between staff conversations for a specific and limited purpose now and those conversations in the years before 1914. Before 1914 we had no political commitments. Consequently, the staff conversations inevitably entailed a political commitment, though they might be military. . . . Our obligations in the present instance are clearly set out by treaty already, and the only question that can be at issue is whether or not you are prepared to make arrangements to carry out those obligations should the need arise. . . . I would remind the House in this connexion that only in the last few months such conversations have actually taken place, on that occasion at our request. . .[2]

In regard to the second of the contemplated series of British undertakings, Mr. Eden emphasized that, in the pacts of mutual assistance which were intended to form part of the 'new Locarno', 'the guarantees would be reciprocal, and . . . we should share with others in the guarantees as well as in the risks'. This condition of reciprocity also applied to the undertaking which covered the contingency of the failure of the negotiations. The guarantee of assistance to France and Belgium in this event would only come into force in the case of unprovoked aggression, and the staff conversations that were visualized would take place under the same conditions as those which were to be held in the immediate future.

'Isolationists' who held that the British Government ought not to entangle themselves in the affairs of Europe were reminded that Great Britain had certain very definite commitments under the

[1] i.e. from the notes which had been exchanged on the 6th March, 1936, in replacement of the Franco-Belgian military agreement of 1920. See p. 353, below.

[2] The Anglo-French conversations with regard to co-operation in the event of an Italian attack in the Mediterranean have been referred to in the *Survey for 1935*, vol. ii, pp. 266, 292–3 *n*.

Treaty of Locarno and that Mr. Eden was not 'prepared to be the first British Foreign Secretary to go back on a British signature'. Moreover, Great Britain had never, at any time in her history, been able 'to turn a blind eye to all that happens in Europe'. It was 'a vital interest of this country that the integrity of France and Belgium should be maintained and that no hostile force should cross their frontiers'. At the same time, the Government agreed entirely with the view that Great Britain was not bound to give help to her neighbours in any and every conflict in which they might become involved.

> Our obligations are world-wide obligations, are the obligations of the Covenant. We stand firm in support of them, but we do not add, nor will we add, one jot to those obligations except in the area already covered by the Locarno Treaty. Let us make that absolutely clear. We accept no obligations beyond those shared by the League, except those obligations which devolve on us from Locarno.

In conclusion, Mr. Eden asked for the united support of the British people in the 'search for peace on an enduring foundation', and he also appealed to both France and Germany to make their contributions.

> I would like to say to France that we cannot ensure peace unless the French Government is ready to approach with an open mind the problems which still separate it from Germany. I would like to say to Germany 'How can we hope to enter on negotiations with any prospect of success unless you are prepared to do something to allay the anxieties in Europe which you have created?'

Mr. Eden's explanation of the proposals of the 19th March went far to relieve the fear that Great Britain had tied herself to France's chariot wheels; but several speakers in the debate touched on the question of the General Staff talks, and Mr. Neville Chamberlain, who wound up the debate for the Government, gave additional assurances that no new political commitments were involved. Mr. Dalton and Mr. Attlee, as the spokesmen of the Labour Party, poured scorn on the suggestion for setting a greater criminal to catch a lesser by posting Italian troops in the Rhineland, and deprecated a military alliance with France on the one hand and sanctions against Germany on the other. Perhaps the weightiest criticism from Opposition speakers was that which was directed against what they felt to be a tendency to divide Europe into two parts and to assume that security could be organized in the West while the East was being left to its fate.[1]

[1] Mr. Neville Chamberlain, in his concluding speech, referred to this criticism and declared that the Government were 'interested in the East as well as in the West, and the obligations under the League would apply equally whether aggression took place either in the East or in the West of Europe'.

The idea of collective security on the basis of the League Covenant received support from Mr. Winston Churchill; Sir Austen Chamberlain put the case for close co-operation with France in dealing with a militaristic and aggressive Germany; while Mr. Lloyd George pleaded the opposite case for negotiating on terms of real equality with a Germany who was only one among a goodly company of treaty-breakers. It was evident that the majority of the members of all parties were prepared to accept in principle the policy which Mr. Eden had outlined, even though some of the details of the proposals of the 19th March were felt to be open to objection.

On the 29th March, three days after this debate in the House of Commons, the German people went to the polls; and on the same day Monsieur Flandin delivered an important speech at Vézelay, in his constituency, which was broadcast throughout France and across international frontiers. The climax of the election campaign in Germany had been reached when Herr Hitler addressed vast audiences at Essen on the 27th March and at Cologne on the 28th; and when the day of the election came the German people did what was expected of it. There had, indeed, never been any doubt that the result of the poll would be a practically unanimous vote of confidence in the policy which Herr Hitler had announced in his speech to the Reichstag on the 7th March. The great majority of the German people could with perfect sincerity register approval of the Government's action when it was put before them as a means of securing, at one and the same time, equality of rights for Germany and a lasting peace; and the manner in which the election was stage-managed made it extremely difficult for individuals who dissented from the view of the majority to register an adverse vote[1] or to refrain from voting. It was not surprising, therefore, that 99 per cent. of the electorate should have gone to the polls and that 98·8 per cent. of the votes cast should have been for the Nazi Party List.[2] Herr Hitler and his lieutenants had obviously attached the greatest

This statement was said to have given special satisfaction to Colonel Beck, the Polish Foreign Minister, who was still in London, and who had an interview with Mr. Eden on the 27th March. At this date the Abyssinian *débâcle* had not yet taken place, and it was still possible to attach value to a promise to implement obligations under the Covenant.

[1] The only method available to those who wished to record a vote against the Nazi Party's list of candidates for the Reichstag was that of defacing the ballot paper; in view of the widespread doubts as to the secrecy of the ballot, this obviously required a very considerable degree of hardihood.

[2] The actual figures were as follows:

Number of persons entitled to vote . . .	45,453,691
Total number of votes	45,001,489
Number of votes for Nazi Party List . . .	44,461,278

importance to securing the highest possible number of votes, and the result enabled them to claim that their policy had now been endorsed by the whole German nation. This spectacle of national unanimity was less impressive when it was seen through the eyes of foreign observers who had a different conception of an election from that of the Nazis; but its importance could not be denied, if only because it was likely to stiffen the attitude of the German Government in the coming negotiations.

In all his election speeches Herr Hitler had appealed for support not only for the Government's action in 'liberating' the Rhineland but also for the proposals for a new settlement which had been outlined in the memorandum of the 7th March; but on several occasions he made use of expressions which appeared to imply that he considered the German people, and himself as its representative, the supreme judge of Germany's needs and rights, which were superior to any obligations imposed by international treaties.

> I am responsible for Germany [he said at Munich on the 14th March]. I shall not let any decision be forced on me by an institution which does not possess the responsibility which I have to bear. . . . Only the Almighty has the right to decide on what is just and what is not, and God's voice is the people's voice, and you alone, my German compatriots, have therefore the right to judge my actions.[1]
>
> If the rest of the world [he said at Berlin on the 24th March] clings to the letter of treaties, I cling to an eternal morality. If they raise objections about paragraphs, I hold by the vital eternal rights of my people, by the equality of rights and of duties. If they try to read avowals of guilt into such letters and paragraphs, then I, as the representative of the German people, must assert the nation's right to live—its honour, freedom and vital interests.

Monsieur Flandin referred to this speech and to similar German utterances at the beginning of his address at Vézelay,[2] in a passage which summed up the fundamental objection that was felt in France to the negotiation of a new settlement with Germany under existing conditions.

> What [he asked] will to-morrow be the value of a treaty if Germany reserves to herself the right of repudiating it in the name of eternal morality and the vital rights of the German people?

Monsieur Flandin then proceeded to put a series of searching

[1] An interesting gloss on Herr Hitler's speech on this occasion was provided by Herr Wagner, the Nazi Gauleiter for Munich, who addressed the audience before Herr Hitler's arrival. 'What Hitler declares to be right', he said, 'is and will remain right for all time . . . . Anything that benefits the German people is right, anything that harms the German people is wrong.'

[2] Extracts from the speech are printed in *Documents on International Affairs, 1936*, pp. 171–5.

questions to Germany, designed to ascertain the precise meaning of Herr Hitler's offer of a twenty-five years' peace and to translate it into concrete terms.

> Is it not significant that at the moment at which Chancellor Hitler appeals to the world for peace, Nazi propaganda should be redoubled in Austria, in Danish Schleswig, in Polish Silesia, among the German minority in Czechoslovakia, and even in German Switzerland?
>
> Yes or no, does Hitler renounce any annexation, and even any absorption, of these populations and these territories into the Reich; or does he proclaim, as long as he believes it possible, that these are matters of interior policy for the German people, in which he does not expect other states to meddle?
>
> If Chancellor Hitler is prepared for a general discussion without reserve and without reticences let him reply to all the questions we ask and let him, before his people, pronounce himself, not by vague speeches with the object of misleading and putting to sleep that public opinion, but by a categorical and precise declaration.
>
> Is it to prepare the 25-years' peace that he militarizes in haste the demilitarized zone and that he immediately starts fortification works there? Against whom are these directed and why are they being undertaken?
>
> In the name of the total sovereignty of the German people does the Führer intend, when the favourable occasion seems to offer, to raise the question of the Statute of Danzig? When he proposes a pact of non-aggression with Lithuania does he definitely accept the Statute of Memel? Or is it only in preparation for a new *coup de force*—a new *fait accompli* in violation of treaties?
>
> If Germany means to lay claim to rights to develop colonies, to what colonies will her claims be extended? Does he demand that all her pre-war colonies be returned to her or only certain of them? And in the latter case which?

Monsieur Flandin's questions were received with considerable annoyance in Berlin, where, now that the election campaign was over, the Foreign Office was engaged, under Herr Hitler's personal supervision, in putting the finishing touches to the memorandum which Herr von Ribbentrop was to deliver in London on the 31st March. The advisability of postponing the communication to the British Government and replying direct to Monsieur Flandin through the medium of another speech by Herr Hitler was believed to have been considered, but it was finally decided that the programme announced in the note of the 24th March should be adhered to, and Herr von Ribbentrop duly travelled to London on the 31st March with a new memorandum[1] which he presented to Mr. Eden on the 1st April.

[1] An English translation of the text was published in the White Paper *Miscellaneous No. 6 (1936)* [*Cmd.* 5175]. It will also be found in *Documents on International Affairs, 1936*, pp. 183–92.

In this document the German Government declared that they had

> just received from the German people, among other things, a solemn general mandate to represent the Reich and the German nation in accordance with the following two lines of policy:
>
> (1) The German people are determined to preserve under all circumstances their freedom, their independence and at the same time their equality of status. They regard the upholding of these natural principles of international comity as a precept of national honour and a necessary condition for any practical co-operation between nations, from which they will in no circumstances deviate any further.
>
> (2) The German people most earnestly desire to co-operate with all their might in the great work of general reconciliation and understanding of the nations of Europe, for the purpose of safeguarding peace which is so necessary for the culture and welfare of this continent.

The reoccupation of the Rhineland was defended not only by the familiar argument that the Franco-Russian Pact had 'deprived the Locarno Treaty of its legal and, in particular, of its political basis, and thus of the conditions for its existence', but also by an argument which had not hitherto found its way into an official document: that the acceptance of the demilitarized zone by Germany had never been voluntary, but that these provisions of the Treaty of Versailles had been 'incorporated in the Locarno Pact after a further infringement of right, namely, the occupation of the Ruhr Territory'. Further, the validity of the demilitarization provisions of the Versailles Treaty was called into question, on the ground that President Wilson's Fourteen Points, on the basis of which Germany had concluded the Armistice, did not contemplate any limitation of German sovereignty in the Rhineland. The demilitarized zone, it was declared, having been created

> in the last analysis . . . as a *quid pro quo* for the aim of France in 1918 to separate the Rhineland from Germany[1] . . . only came into being as the result of a breach already perpetrated of an obligation binding on the Allies also. The demilitarization provisions of the Treaty of Versailles were accordingly based on the breach of an assurance given to Germany, and the only legal argument behind them was force.

The suggestion for a reference of the legal aspect of the dispute to the Permanent Court was rejected in the following paragraph:

> The German Government are not in a position to submit the measure which they have adopted for the security of the Reich, and which *involves only German territory*, and is a menace to no one, to the judgment

[1] This statement was supported by reference to a passage in Mr. Eden's speech in the House of Commons on the 26th March, 1936.

For Marshal Foch's demand for the Rhine Frontier, which Monsieur Clemenceau refrained from pressing in consideration of the creation of a demilitarized zone, see the *Survey for 1924*, p. 3.

of a body which, at best, is only in a position to judge the legal aspect of the question, but not in any circumstances whatever its political aspects. This is all the more true since the Council of the League of Nations have already reached a decision which prejudices the legal judgment of the question.

The proposals for a neutral zone to be policed by an international force and for a German undertaking to refrain from erecting fortifications during the period of negotiation were not explicitly mentioned, but they were covered by the refusal of 'all proposals in the draft which impose one-sided burdens on Germany and therefore discriminate against her'. The memorandum went on to criticize the arrangement in the Locarno Powers' proposals of the 19th March for contact between General Staffs.

As is obvious from an offer she has made, Germany has no intention of ever attacking France or Belgium. Furthermore, taking into consideration France's huge armaments and the enormous fortresses on her eastern frontier, it is well known that such an attack would be senseless purely from the military point of view alone.

For these reasons, moreover, the desire of the French Government for immediate General Staff discussions is incomprehensible to the German Government. The latter could not but regard such discussions as seriously prejudicial if arrangements between General Staffs were reached before the conclusion of the new security pacts. They are of the opinion that such arrangements should in any case only take place as a result of the political obligations of the five Locarno Powers to render assistance, and then only on a strictly reciprocal basis.

In the German Government's view

the task confronting the statesmen of Europe should be divided into three parts as follows:

(*a*) A period (during which the atmosphere would gradually be calming down) for elucidating the procedure for the negotiations to be initiated.

(*b*) A period of actual negotiations for securing the peace of Europe.

(*c*) A later period for dealing with such supplementary aspects of the European peace settlement as are desirable, and the content and scope of which cannot or should not be precisely laid down or defined in advance (disarmament, economic questions, &c.).

The 'peace plan' which they proposed for the interim period and the period of actual negotiations contained the following nineteen points:

(1) In order to give to the future agreements to ensure the peace of Europe the character of inviolable treaties, the nations participating in them shall do so only on a footing of absolute equality and equal respect. The only compelling reason for signing these treaties must lie in their generally recognized and obvious suitability for ensuring the peace of Europe, and thus the social happiness and economic prosperity of the nations.

(2) In order to shorten, as far as possible, the period of uncertainty (in the economic interests of the European nations) the German Government propose a limit of four months for the first period until the signature of the proposed non-aggression pacts and the consequent guaranteeing of European peace.

(3) The German Government give the assurance that they will not proceed to any reinforcement whatsoever of the troops in the Rhineland during this period, always provided that the Belgian and French Governments act similarly.

(4) The German Government give the assurance that they will not, during this period, move the troops in the Rhineland closer to the Belgian and French frontiers.

(5) The German Government propose to set up a commission composed of representatives of the two guarantor Powers, England and Italy, and of a disinterested third neutral Power, to guarantee the execution of these reciprocal assurances.

(6) Germany, Belgium and France shall each be entitled to send a representative to this commission. If Germany, Belgium and France think, for any particular reason, that they can point to a change in the military situation within this period of four months, they have the right to communicate what they have observed to the Guarantee Commission.

(7) Germany, Belgium and France declare their willingness, in such a case, to permit the Commission to make the necessary investigations through the British and Italian Military *Attachés*, and to report thereon to the participating Powers.

(8) Germany, Belgium and France give the assurance that they will take fully into consideration the objections arising therefrom.

(9) Moreover, the German Government are willing, on the basis of complete reciprocity, to agree with their two Western neighbours to any military limitations on the German western frontier.

(10) Germany, Belgium and France and the two guarantor Powers shall agree at once, or at the latest after the French elections, to enter into discussions, under the leadership of the British Government, for the conclusion of a twenty-five years' non-aggression pact or security pact between France and Belgium, on the one hand, and Germany, on the other.

(11) Germany agrees that England and Italy shall once again sign this security pact as guarantor Powers.

(12) Should special obligations to render military assistance arise out of these security agreements, Germany for her part declares her willingness to assume such obligations also.

(13) The German Government hereby repeat their proposal for the conclusion of an air pact to supplement and reinforce these security agreements.

(14) The German Government repeat that, should the Netherlands so desire, they are willing to include this country also in the proposed Western European security agreement.

(15) In order to give to this covenant of peace, voluntarily entered into between Germany, on the one hand, and France, on the other, the

character of a reconciliation and of a settlement of their centuries-old feud, Germany and France shall pledge themselves to take steps, in connexion with the education of the young in both countries, and in publications, to avoid everything which might be calculated to poison the relationship between the two peoples, whether it be the adoption of a derogatory or contemptuous attitude, or improper interference in the internal affairs of the other country. They shall agree to set up, at the headquarters of the League of Nations in Geneva, a joint commission whose function it shall be to submit to the two Governments, for their information and investigation, all complaints received.

(16) In pursuance of their intention to give this agreement the character of a sacred covenant, Germany and France shall undertake to ratify it by means of a plebiscite of the two peoples.

(17) Germany declares her willingness, for her part, to enter into communication with the states on her south-eastern and north-eastern frontiers, with a view to extending to them a direct invitation to conclude the non-aggression pacts proposed.

(18) Germany expresses her willingness to re-enter the League of Nations either at once or after the conclusion of these agreements. At the same time, the German Government again express their expectation that, within a reasonable time and by means of friendly negotiations, the question of colonial equality of rights as well as that of the separation of the Covenant of the League of Nations from its basis in the Treaty of Versailles setting will be cleared up.

(19) Germany proposes the constitution of an international court of arbitration, which shall have competence in respect of the observance of the various agreements concluded, and whose decisions shall be binding on all parties.

The 'supplementary aspects of the European peace settlement', which the German Government proposed to reserve for negotiation in the third and final period, covered, as in the case of the Locarno Powers' proposals, the questions of limitation of armaments and of economic relations. In their opinion it would be best to deal with the problem of armaments in a series of conferences 'having each time only one clearly defined objective'—beginning with the 'humanization' of air warfare and proceeding to the prohibition of the different types of 'offensive' weapons. In regard to economic questions, the German Government declared that they were

> prepared immediately after the conclusion of the political treaties, to enter into an exchange of views on economic problems with the other countries concerned, in the spirit of the proposals made, and to contribute as far as lies in their power to the improvement of the economic situation in Europe and of the world economic situation.

It will be seen that the appeals to Germany to make a 'contribution to the restoration of confidence' during the interim period and thus enable the period of negotiations to begin had met with a certain

response. In substitution for the Locarno Powers' proposals for reference to the Permanent Court, for an international police force and for temporary abstention from building fortifications—all of which were refused, explicitly or implicitly—the German Government suggested the appointment of an international commission to supervise the carrying out of the undertakings which they had already given not to increase the strength of their forces in the Rhineland and not to move them nearer to the frontier. This was in itself a concession of some importance, which might establish the principle that frontiers between states engaged in a political dispute should be placed under international supervision. From the immediate practical point of view, if foreign observers were stationed in the Rhineland they would be able to allay suspicions regarding the reinforcement of the German troops and also to supply information regarding the extent to which fortification works were actually being put in hand. The value of this gesture was diminished, however, by the fact that the German Government put a definite term to the interim period during which these conditions would apply. If at the end of the stipulated four months negotiations had not actually begun (and it would clearly be possible for the German Government, if they chose, to employ delaying tactics), it would presumably be open to Germany to dismiss the observers and resume complete freedom of action.

The proposals for a new settlement, comprising a Western Pact of non-aggression for twenty-five years and bilateral pacts of non-aggression with Germany's neighbours in the East, were substantially the same as those of the 7th March, but there was an important addition in clause (12), by which the German Government offered to assume any 'special obligations to render military assistance' which might arise out of the proposed security agreements. This was a real concession, for in the earlier abortive negotiations for an 'Eastern Locarno' Germany had steadfastly refused to commit herself to any arrangements for mutual assistance, and the most to which she had then been willing to agree had been that the conclusion of such arrangements between other Powers should not prejudice her own entry into agreements for non-aggression.[1] The other additions to the proposals of the 7th March were the suggestions for a Franco-German agreement on 'moral disarmament', to be ratified by plebiscites in both countries, and for the establishment of a special Court of Arbitration—whether in addition to or in substitution for existing international institutions was not clear—

[1] See the *Survey for 1935*, vol. i, Part I, section (iv).

to which disputes regarding the observance of the various agreements should be referred.

The British Government's first impression of these latest German proposals was that they were 'most important' and 'deserving of careful study';[1] but at the same time Mr. Eden pointed out to Herr von Ribbentrop

> that in respect of the interim period, for which his Majesty's Government had particularly appealed for a contribution, the German Government had not been able to meet [them]. The difficulty, therefore, of creating that sense of confidence in Europe which was an essential condition of successful negotiations still remained.[2]

Herr von Ribbentrop appears to have suggested that the German Government might be able to make the concession to which the greatest importance was attached by France, Belgium and Great Britain—that of abstaining temporarily from the erection of fortifications in the demilitarized zone—if those three Powers, for their part, would refrain from making arrangements for conversations between General Staffs. This bargain did not commend itself to the British Government, who regarded the General Staff conversations as their own contribution to the restoration of confidence, and as quite independent of the contribution which they had a right to expect from Germany. In fact, on finding that the German memorandum did not contain any concession on the question of fortifications, the British Government had finally decided to accede to the repeated requests of France that the arrangements for the General Staff conversations should be put in train without further delay. It was now clear that Italy did not intend to endorse the proposals of the 19th March, at any rate in the near future, and that to wait in the hope of securing her participation in the contact between General Staffs and her signature of the 'letter of guarantee' attached to the proposals would involve at best a long delay. On the 2nd April Mr. Eden received the French and Belgian Ambassadors and handed to them the British Government's guarantee in regard to the action to be taken if the negotiations for a new settlement should fail, in the form agreed upon on the 19th March,[3] together with a note stating that 'the delivery of this letter in no way implies that in the view of His Majesty's Government the effort of conciliation referred to in this letter has failed'. The note also informed the French and Belgian Governments that His Majesty's Government were willing

[1] Mr. Eden in the House of Commons on the 3rd April, 1936.
[2] Mr. Eden, *loc. cit.*
[3] See p. 293, above.

> to instruct their General Staffs forthwith to enter into contact with the French/Belgian General Staff, with a view to arranging the technical conditions in which the obligations referred to [in paragraph III of the proposals of the 19th March] should be carried out in case of unprovoked aggression.

The French and Belgian Governments were asked respectively to confirm that it was their understanding, as it was that of the British Government,

> that this contact between the General Staffs cannot give rise in respect of either Government to any political undertaking, nor to any obligation regarding the organization of national defence.

The required assurances were received in due course from France and Belgium, and conversations between representatives of the Navies, Armies and Air Forces of France, Belgium and Great Britain took place in London on the 15th–16th April, 1936.

When Mr. Eden informed the House of Commons on the 3rd April that the 'letter of guarantee' to France and Belgium had been delivered on the previous day, he gave the House, at Mr. Lloyd George's request, an assurance that it was

> not contemplated to put any of these military plans into operation in the unfortunate event of the failure of the negotiations unless there [was] an unprovoked attack by Germany on Belgian or French soil.

If the negotiations broke down, however, the British Government were bound by the terms of the 'letter of guarantee' to enter into immediate consultation with the French and Belgian Governments 'on the steps to be taken to meet the new situation thus created', and to give immediate assistance 'in respect of any measures which shall be jointly decided upon'. During the next few weeks the British Government were subjected to, but resisted, considerable pressure from France to agree that the 'effort of conciliation' had definitely failed and that a 'new situation' within the meaning of the letter of guarantee had come into existence.

(*g*) The French Memorandum of the 6th April, 1936, and the Four-Power Conversations at Geneva on the 10th April, 1936

The German memorandum of the 31st March had not been well received in France. The proposals for a new Locarno were criticized as an attempt to 'localize war', to separate the East of Europe from the West, and to make the attainment of a system of collective security for the whole of Europe impossible; while the suggestions for 'moral disarmament' and for the creation of a new Court of Arbitration were the subject of a good deal of ironic comment. The main

ground of objection to the memorandum, however, was its omission of any suggestion for what France would consider an adequate act of reparation for the breach of treaty which Germany had committed. The proposal for international supervision of the forces in the Rhineland might have had a better reception if information had not reached Paris at the beginning of April that further German reinforcements had recently arrived; but, as it was, this suggestion was not felt to be an acceptable substitute even for the last item in the declining scale of 'acts of reparation' or 'contributions to the restoration of confidence'—beginning with the complete withdrawal of the German troops and ending with an undertaking to refrain from building fortifications—which the French Government had put forward from time to time as preliminary conditions for the negotiation of a new settlement.

At the same time the Sarraut Government were especially anxious in view of the rapidly approaching elections to avoid committing the error into which Monsieur Barthou had fallen in April 1934[1] by rejecting the German proposals with an abruptness which would throw the onus for the break-down of the negotiations upon France. Monsieur Flandin told the British Ambassador on the 2nd April that the French Government's first impression of the German memorandum was wholly unfavourable, and urged that a meeting of the Locarno Powers other than Germany should be held as soon as possible to consider the situation. At the same time it was decided to keep the ball rolling by preparing a detailed reply to the German memorandum, together with a French counter-proposal for a European settlement, which could be submitted in the first place to the Locarno Powers and subsequently to the League Council.[2] In order to assist the Government in drafting their proposals, the French Ambassadors in London, Berlin, Rome and Brussels were summoned to Paris, where they met in conference with Monsieur Sarraut and Monsieur Flandin on the 3rd April.[3] On the 6th April the French Cabinet

[1] See the *Survey for 1935*, vol. i, Part I, section (ii).

[2] Mr. Eden was reported to have told the French and Belgian Ambassadors on the 2nd April that, in the British Government's view, it was desirable that the situation as a whole should be brought within the competence of the League Council at an early date. In the House of Commons on the 3rd April Mr. Attlee suggested that the Government should 'reinforce the sense of security by bringing in all the League Powers and not merely the Locarno Powers'; and Mr. Eden replied that for his part he would 'welcome any such procedure if it' could 'generally be agreed upon'.

[3] The Ambassador from Berlin, Monsieur François-Poncet, was said to have supplied information which confirmed an impression that had been gaining strength in France during the past weeks—namely that the French Government had missed a great opportunity by not sending troops into the Rhine-

approved the text of two documents which had been drafted by the Foreign Office under Monsieur Flandin's supervision: a detailed commentary on and reply to the German memorandum which was addressed to the British Government and communicated to the Governments of Belgium and Italy, and a French plan for the organization of peace[1] which was also communicated to the Governments of the three Locarno Powers. The reply to the German memorandum made a number of telling points. Recalling the paragraph in the League Covenant which laid it down that 'a scrupulous respect for all treaty obligations' was necessary for the promotion of international co-operation and to achieve international peace and security, the French Government inquired whether the German Government, who announced their intention of rejoining the League of Nations, would

> ask on this occasion that this text should be revised in order to conform with [their] conceptions? Should we henceforward inscribe in [the Covenant] that the rule stops short at the point where for each people begins 'the vital right' of which it alone shall be the judge?

The new German argument that the demilitarization of the Rhineland violated the principles of the Fourteen Points and ran counter 'to engagements taken at the moment of the Armistice' was dismissed as having 'no foundation either directly or indirectly. . . . If it had been otherwise, the German delegation to Versailles would not have omitted to call attention to it.' The suggestion that the Locarno Treaty was 'negotiated under constraint of the occupation of the Ruhr' was also rebutted; 'the Ruhr was evacuated before the negotiations were even envisaged'. The German Government's

> new juridical theory . . . that no nation could voluntarily renounce its sovereign rights without exterior pressure . . . and [that] the Locarno Treaty could not have a sacred character because it reproduces the provisions already included in the treaty signed after defeat

was interpreted by the French to mean that

> in so far as the European territorial statute results from the treaties of 1919, it is this whole statute which Germany reserves the right to call into question, in spite of whatever confirmations it may have been the subject of since the peace was made.

land on the 7th March, when, it was believed, a very moderate display of force would have caused the German Army chiefs to order a retreat.

[1] The French text of both documents was published in *Le Temps* of the 9th April, 1936, and an English translation in *The Times* of the same date. The translation will be found in *Documents on International Affairs, 1936*, pp. 197–210.

The French memorandum went on to repeat some of the questions which Monsieur Flandin had addressed to Germany in his speech at Vézelay ten days earlier.

> Must we conclude that Germany, starting from this new juridical basis taken from an unpublished international law, might to-morrow call into question the Statute of Danzig, that of Memel and that of Austria; might demand such and such revision of European frontiers; and such and such a restitution of German colonial territories?

The French Government noted that Germany had either refused or 'replied with silence equivalent to a refusal' to the 'generous suggestions' that she should 'make the necessary "gestures" so that provisional solutions allowing the re-establishment of confidence . . . might prevail'; and they implied, though they did not definitely state, that the only gesture which Germany had offered to make was not acceptable to them. They pointed out that

> if the German Government agreed reciprocally, and under the control of an international commission, not to augment the present effectives in the Rhineland Zone, it did not give any assurances that these effectives are not even now greater in number than the contingent officially announced on the 7th March.

The 'essential disposition' in the arrangement of the 19th March was that 'concerning the prohibition or limitation of the right in future to build fortifications in a zone to be determined'; and the French Government considered that 'in the present state of Europe the attitude of the German Government with regard to this essential clause must be known'.

The German Government's peace plan, which they offered as 'a decisive contribution to the reconstruction of the new Europe', seemed to the French Government a contribution 'more apparent than real'. The proposal for the conclusion of a new Western Security Pact in place of the Locarno Treaty would assume some value in French eyes only when it was known 'how the observance of its new engagements by the Reich can be guaranteed'; while, in regard to the suggested conclusion of a Western Air Pact, it was asked whether 'this pact includes an agreement for air limitation, in the absence of which the security guarantees that it might offer would be practically non-existent'. The German proposals 'for strengthening European peace' were considered 'definitely insufficient'. The offer to conclude non-aggression pacts with Germany's eastern neighbours was dismissed because

> bilateral non-aggression agreements, unaccompanied by a clause providing mutual assistance in favour of the victim of a brutal denunciation

and a *coup de force*, would not add to the engagements already dependent, for Germany and her neighbours, on the 1928 Pact of Paris.

Moreover, the offer even of a non-aggression pact did not apply to Russia; and the French Government noted a change of German policy in this respect, since at the time of the Stresa Conference in April 1935 Germany had been willing to conclude an agreement of this kind with the U.S.S.R. In the French view, European security formed a whole, and the principle of collective security was not

valid for only part of the Continent. France for her part takes thought not only for her friendships but also for her obligations as a member of the League, and could not conceive of a settlement of Western security for which she would have to disinterest herself in the security of the rest of Europe.

Germany's offer to return to the League was also considered to be of little value.

How [it was asked], before the solution of the crisis which she brought about by her policy of the *fait accompli*, could Germany be considered as 'giving effective guarantees of her sincere intention to observe her international engagements'? The return of Germany to the League would in the present circumstances be equivocal.

Moreover, the proposal for a special Court of Arbitration seemed to the French Government 'hardly compatible with the principles of the Covenant', since it appeared to set aside 'all intervention by the Permanent Court of International Justice and . . . to reject in advance even the competence of the Council'.

As for the German proposals for the limitation of armaments, the French Government pointed out that the German Government only appeared 'disposed to enter upon the path of limitation of armaments with the greatest circumspection'. They noted in particular that there was no suggestion for 'an efficacious system of control', while the proposals for 'the humanization of war' were felt to be lacking in precision. The suggestion for improving relations as between France and Germany was also treated coldly. The general problem of moral disarmament, it was pointed out, had already been examined by the League, and a special Franco-German arrangement would not be 'in place in the system of general agreements at present envisaged'.

In a concluding paragraph, French doubts regarding the spirit in which Germany had put forward her proposals were summed up in a series of questions.

Does the vital right of the people authorise unilateral cancellation of engagements undertaken; will peace be ensured by the collaboration of all in respect of the rights of each; or will states have every latitude

to settle their differences as they please in a tête-à-tête with the states whose good faith they have taken by surprise? No European Government can undertake the conclusion of new agreements without having received a clear reply to this question. And still more directly another question may be put to the German Government: Does Germany unreservedly recognize as valid the present territorial and political statute of Europe? Does she admit that respect for this statute can be guaranteed by agreements concluded on the basis of mutual assistance? The proposals handed in in London on the 1st April are silent on this point.

Having thus subjected the German memorandum to destructive criticism, the French Government, in their second document, put forward their own constructive proposals for a new settlement. This French peace plan, however, showed the marks of hasty construction; it consisted largely of a reaffirmation of general principles, and in so far as it contained concrete suggestions, they were not of a kind on which general agreement could be expected in the near future. The Sarraut Government themselves probably did not expect the proposals to be taken very seriously, and although they were not formally dropped after the change of Government in Paris at the beginning of June they did not play any part in the subsequent negotiations, and need therefore only be briefly referred to here. The most interesting section of the peace plan was derived from the ideas which had been expounded by Monsieur Briand in 1930 when he had launched his plan for 'closer union in Europe'.[1] The Sarraut Government suggested that if Europe could not be organized as a single unit for purposes of security there should be regional *ententes* within the European framework, under the supervision of a European Commission which would itself be an organ of the League of Nations. This Commission would have a permanent armed force at its disposal and would possess wide powers—including that of taking certain decisions by a majority vote. A special feature of the proposed European organization, which was designed to counter the German suggestion for a Western Pact of twenty-five years' duration, was that all the associated states should bind themselves to respect the existing territorial status and not to make any demand for modification for twenty-five years.

Before these French documents were made public it had been decided that a meeting of the Locarno Powers other than Germany should take place at Geneva, where the Committee of Thirteen on the Italo-Abyssinian dispute was to meet on the 8th April; and at this meeting Monsieur Flandin and Monsieur Paul-Boncour were able to explain in even greater detail their Government's views on the

[1] See the *Survey for 1930*, Part II A.

German memorandum and their suggestions for future procedure. The French representatives appear to have begun these conversations, which took place at Geneva on the 10th April, by taking the line that Germany's refusal to consider the measures applicable to the interim period which had been suggested in the proposals of the 19th March marked the end of the effort at conciliation, and they were said to have referred again to the possibility of applying sanctions to Germany. Mr. Eden, however, was not to be converted to the view that the negotiations had already broken down, and the idea of sanctions received no support either from him or from Monsieur van Zeeland or from Baron Aloisi, who was representing the Italian Government.[1] Another French proposal for a joint *démarche* by the four Western Powers in Berlin was also rejected. Monsieur Flandin then retreated to the standpoint that an undertaking regarding fortifications, as had been pointed out in the French memorandum, was the really essential point; that until this was conceded France could not contemplate entering into negotiations for a new Western settlement; and that any change in the situation regarding fortifications should be followed by immediate consultations between the four Western Powers. He was, however, prepared to agree that the section of the German proposals which related to Eastern Europe might be considered by the League Council, in conjunction with the French peace plan, and that in the meantime the British Government should take the initiative in an attempt to arrive at the precise meaning which was to be attached to the German proposals.

An official *communiqué*, which was published at the end of the Geneva conversations, noted that the German Government, notwith-

[1] At the opening meeting of the Locarno Powers Baron Aloisi made the following declaration, which was afterwards issued for publication by the Italian delegation.

> Italy, a signatory of the Pact of Locarno, in her quality of guarantor has during this long period honoured her signature. The Rhineland crisis having occurred, Italy took part in the meetings in Paris and in London, maintaining the attitude of reserve due to the particular conditions in which she had been placed. But the Italian Government have been obliged to remark that in all recent manifestations of the British Government Italy has been ostensibly [*sic*] ignored. My Government therefore charges me to ask each of you if the presence of Italy is wished for and if her collaboration in the work of European reconstruction on the basis of a new Locarno is desired. If it were not so, Italy would have to reserve the right of ordering her line of conduct in consequence.

Baron Aloisi presumably received the desired assurances, since he did not withdraw from the conversations, but he does not appear to have taken at all an active part, and he reserved his Government's approval of the decisions that were reached.

standing their offer to accept the supervision of a neutral commission over the strength of their forces in the Rhineland, had 'not made a contribution to the re-establishment of confidence indispensable for the negotiation of new treaties'. The four Powers considered, however, that it was

> desirable completely to explore all the opportunities of conciliation; for this purpose the elucidation of a certain number of points contained in the German memorandum is, in the first instance, necessary, notably those set out in the French memorandum. The representatives of the United Kingdom will for this purpose get into touch with the German Government. In particular they will inquire what was the meaning attached by the German Government to the bilateral treaties which it proposed and how these treaties would fall into the framework of collective security or of the mutual assistance provided in the Covenant of the League of Nations.
>
> The representatives of France made all reserves in the event of any material changes occurring in the present situation in the Rhineland Zone during the discussions in question. In the event of any such changes the representatives of the four Governments decided to meet at once.

The *communiqué* also recorded the fact that conversations between General Staffs were to begin on the 15th April,[1] and the decisions to communicate the French peace plan to the League of Nations for a detailed examination, to ask the German Government's consent to a similar communication of the German memorandum, and to hold another meeting of the Locarno Powers at Geneva during the Council's session in May.[2]

[1] See p. 327, above.

[2] Before this meeting took place the Sarraut Government's supporters had been defeated in the French general election, and Monsieur Paul-Boncour went to Geneva as the representative of a Government which was still in office but not in power (see p. 335, below). At his instance, the representatives of the four Locarno Powers duly met in consultation on the 12th May, but in the circumstances they could hardly arrive at any new decision. Monsieur Paul-Boncour, however, was able to communicate to his colleagues detailed information which had reached Paris regarding the erection of fortifications in the demilitarized zone. This information was based on a sudden increase in Germany's output of cement, which was said to have risen by 80 per cent. during March. The consumption of cement in new fortifications was reported to be at the rate of 300,000 tons a month. This information was admitted to be impressive, but there was no agreement to take action upon it. The British Government had already decided to drop any attempt to get an undertaking from Germany on the subject of fortifications (see p. 336, below), and the German Government were left to carry out their plans. It was not until the first anniversary of the reoccupation of the Rhineland was being celebrated in Germany in March 1937 that it was publicly admitted that a line of fortifications had come into existence, which was not, indeed, on the same scale as the Maginot Line, but was nevertheless considered to be effective for its purpose.

(*h*) The British Questionnaire of the 7th May, 1936, and the German Reaction to it

The agreement which was reached at Geneva on the 10th April between the Locarno Powers reflected the general feeling that no decisive step could be taken until after the French elections; and during the next three weeks there was a lull in international negotiations, while the French Government were fully occupied by the final stages of the election campaign, and the British Government were engaged in drafting the questionnaire which they had undertaken to present to Germany. When the second ballot in the French general election of the 2nd May, 1936,[1] resulted in a victory for the Front Populaire, which secured an absolute majority of seats in the Chamber, it was evident that the period of marking time would have to be prolonged for several weeks. Under French constitutional procedure the Government which had just suffered defeat at the polls would remain in office for another month, and during that period, and for a short time after the new Government was formed, no developments in French foreign policy could be expected.

The temporary paralysis of France did not prevent the British Government from fulfilling the task which they had undertaken at Geneva on the 10th April. While the questions on the German proposals were being drafted in London, the representatives of certain Powers, including those of France, Russia and Poland, called at the Foreign Office in order to present their Governments' observations on the points to be elucidated,[2] but the completed questionnaire was put forward on the sole responsibility of the British Government. It was handed to the German Foreign Minister on the 7th May and was published in London on the following day.[3]

The British questionnaire made only a passing reference to the

[1] In the first ballot, which had been held a week earlier, only a small proportion of the candidates had been elected outright.

[2] The Soviet Government were said to have recommended that the British Government should put a series of questions regarding Germany's intentions in Eastern Europe, whereas the Polish Government thought that questions regarding, for instance, Germany's future relations with Danzig and Memel would merely annoy the German Government and thus hamper the negotiations.

[3] It was published as the White Paper *Miscellaneous No. 6 (1936)* [*Cmd.* 5175], which also contained the texts of the German notes of the 24th and 31st March. The questionnaire will also be found in *Documents on International Affairs, 1936*, pp. 211–16. It had originally been intended that the questionnaire should not be published until the German Government had had time to study it in detail, but immediate publication was decided on as a result of misleading statements regarding the nature of the document which appeared in the German press.

'interim period', in an expression of regret that the German Government had 'not been able to make a more substantial contribution towards the re-establishment of the confidence which is such an essential preliminary to the wide negotiations' which both the British and the German Government had in view. There was no mention of the question of fortifications in the Rhineland, still less of any of the other 'contributions' that Germany had been asked to make. So far as the British Government were concerned, therefore, they appeared to be ready to negotiate with Germany without any further conditions. The questions dealt only with Germany's long-range proposals, and were designed to secure the 'greatest possible precision' before negotiations opened, 'in order that in future no misunderstandings may cloud the confident co-operation of the Powers of Europe'.

In the first place, the British Government took up the point which was largely responsible for the reluctance of France to enter into negotiations with Germany,[1] and endeavoured to ascertain how much reliance could be placed on the German Government's intention to keep the treaty engagements which they now offered to undertake. The German Government were asked whether they now regarded themselves as in a position to conclude 'genuine treaties'. It was pointed out that while one passage in the German memorandum of the 24th March seemed to 'suggest that it is the view of the German Government that by their action in the Rhineland they have established this position', other passages in the same document were 'capable of a different interpretation'.[2]

[1] See pp. 269, 278, 319, above.

[2] The passages in question were as follows:

'1. . . . [The German Government] considered this action [the military occupation of the Rhineland] necessary in order to provide for Germany the necessary conditions under which she could become a party to a new agreement for a clear and reasonable organisation of peace in Europe . . .

2. . . . Lasting agreements between the European nations with the aim of really guaranteeing peace can only be concluded in an atmosphere of sympathetic recognition and consideration of the natural equal vital and political rights of all the nations participating therein. Any attempt to introduce a new system of order in Europe by the old methods of a hate-inspired division of the nations into those with more and those with less rights, into defamed and honourable nations, or even into dictator nations and subject nations, must lead to the same result because it would be begun under the old conditions, which have proved themselves to be pernicious, i.e., the new order will be no better than the old.

It would be advantageous for future developments in Europe if all parties were to understand that treaties on the one hand, and dictates on the other, have a different legal value in the life of the nations. The dictate will probably appear to the victor to be its own legal justification, but will

It is, of course, clear that negotiations for a treaty would be useless if one of the parties hereafter felt free to deny its obligations on the ground that that party was not at the time in a condition to conclude a binding treaty.

The British questionnaire also followed a line indicated in the French memorandum of the 6th April by suggesting that the new German argument that Germany's acceptance of the demilitarized zone was not binding because it was a result of the 'dictate' of Versailles[1] might

give rise to doubt as to the view which the German Government take of the continued maintenance in force of the remaining operative clauses of the Treaty of Versailles, and indeed of any agreement which might be said to have had its origin in the provisions of the Treaty of Versailles.

The British Government did not 'wish to enter into controversy as to the historical interpretation of events set forth' in the German memorandum, but they made it clear that they were themselves 'unable to accept the views put forward by the German Government'. The British Government found 'a further cause for uncertainty' in the statement in the German memorandum of the 31st March that

'the German Government have received from the German People ("Volk") a solemn general mandate to represent the Reich and the German Nation ("Nation") to carry out a policy which implies the preservation under all circumstances of their freedom, their independence and at the same time their equality of status.' A distinction is apparently drawn between the Reich and the German Nation. The question is really whether Germany now considers that a point has been reached at which she can signify that she recognises and intends to respect the existing territorial and political status of Europe, except in so far as this might be subsequently modified by free negotiation and agreement.

These inquiries, which were designed to obtain light on the German Government's general attitude in regard to the sanctity of future treaties and to respect for the *status quo*, were followed by a series of questions on more detailed points. Like the French Government again, the British Government were anxious to know whether the Air Pact which the German Government suggested as a supplement

always be regarded by the vanquished as a violation contrary to all right, and be judged by this standpoint. Only treaties which have been concluded by parties with equal rights, and of their own free will and free conviction, can claim from both partners the same lasting and sacred respect.

By the restoration of her sovereignty in her own territory Germany has only created the necessary condition which will enable her to conclude such genuine treaties.'

[1] See p. 321, above.

to the Western security agreements was to be accompanied by an agreement for the limitation of Air Forces. A reference in the German memorandum of the 31st March to the beneficial results of the recent naval agreement encouraged the hope that the German Government might revise the view which they had expressed in December 1935 that the Franco-Russian Pact had made an agreement for air limitation impossible.[1]

On the subject of the non-aggression pacts proposed by the German Government, the British Government noted that Germany was willing to supplement pacts with France, Belgium and possibly the Netherlands by treaties of guarantee, and they inquired whether the same arrangement would apply in the case of agreements with Germany's eastern neighbours. They assumed, in view of Germany's professed readiness to re-enter the League of Nations, that

> no difficulty [would] arise as regards the conformity of the proposed non-aggression pacts with the obligations of members of the League of Nations, and that the operation of these pacts [would] take place within the framework of the Covenant.

This suggestion that the proposed Eastern Pacts should include obligations for mutual assistance and should be brought into conformity with the League Covenant raised the fundamental question whether Germany was in fact, as the French believed, trying to secure freedom to expand in Eastern Europe at the price of a settlement for twenty-five years in the West. This point was driven home by a reference (which had once more been foreshadowed in the French memorandum) to the omission of Soviet Russia from the list of states with which non-aggression pacts were proposed.

> His Majesty's Government cannot but feel that the general settlement would be very greatly facilitated if the German Government could see their way to interpret these words ['the states on Germany's south-eastern and north-eastern frontiers'] so as to cover at least also the Soviet Union, Latvia and Estonia, as well as the states actually contiguous to Germany.

In this connexion it was recalled that during the negotiations for an Eastern Pact in March 1935 the German Government had 'stated their readiness to conclude pacts of non-aggression with "the Powers interested in East European questions"'. Another point to which attention was drawn—with special reference, presumably, to Germany's relations with Austria and Czechoslovakia—was that of 'non-interference in the affairs of other states, as distinct from non-aggression against them'. In this connexion the British Govern-

[1] See the *Survey for 1935*, vol. i, p. 201.

ment recalled 'with satisfaction' a passage in Herr Hitler's speech of the 21st May, 1935, in which he had declared that the German Government were 'ready at any time to agree to an international arrangement which will effectively prevent and render impossible all attempts to interfere from outside in the affairs of other states'.

In regard to the German proposal for a special Court of Arbitration which would have competence in respect of the various agreements to be concluded, the British Government expressed a desire

> to know generally the functions and constitution of the proposed court and the relation which the former would bear to the functions of the Council of the League of Nations and of the Permanent Court of International Justice.

Further, they suggested that the German Government should

> indicate their future attitude towards the Permanent Court of International Justice (particularly in relation to the Optional Clause) and towards the various provisions for arbitration, conciliation or judicial settlement contained in treaties to which Germany is a party.

In conclusion it was explained that the British Government were only concerned at this stage to 'deal with points the elucidation of which is essential prior to the opening of the general negotiations', but that there were other matters, such as the proposal for the separation of the Covenant of the League from the Versailles Treaty, which would have to be raised at a later stage, before the return of Germany to the League was discussed.

The British questionnaire, as was to be expected, had a bad reception in Germany. The German Government had cause for considerable satisfaction with the course of events during the past two months, but they could not claim that their policy had met with unqualified success. They had reoccupied the demilitarized zone in the Rhineland without incurring any worse penalty than the formal condemnation of the League Council, and it now appeared, from the omission of any reference to the question of fortifications in the British communication, that even in this respect Germany would be able to take what steps she chose without any serious risk of active intervention by other Powers. On the other hand, Germany had made little or no headway in the direction of getting a free hand in Eastern Europe (if that was her design), nor had she succeeded in preventing the meeting between the General Staffs of France, Belgium and Great Britain which had taken place in mid-April. Germany had noted with satisfaction that Great Britain, in pursuance of the rôle of mediator, had refused at Geneva on the 10th April to accept Monsieur Flandin's contention that conciliation had failed; but in the light of

the General Staff conversations and of the British questionnaire it was impossible to build upon this foundation a hope of the reappearance of that divergence of policy between France and Great Britain which had marked the early days of the crisis. The section of the British questionnaire relating to Eastern Europe indicated that even if the British Government did not see eye to eye with the French Government on this subject, they were not prepared to disinterest themselves in East European affairs or to use their influence with France to induce her to abandon the thesis of the indivisibility of peace; and, in general, the British questions reflected French views—as they had been expressed, for instance, in the memorandum of the 6th April—to a greater degree than had been expected in Germany. The resentment which the British questionnaire aroused in Germany appeared, however, to be due not so much to this evidence of close co-operation between France and Great Britain as to the feeling that it was an affront to the dignity of a Great Power to subject it to a catechism of this kind.

In any case it would have been difficult for the German Government to give a definite answer to most of Mr. Eden's polite but searching questions without committing themselves to a course which they had no wish to follow. Comment in the press and in speeches during the first week or ten days after the receipt of the questionnaire indicated that the inquiry whether the proposed new agreements would be 'genuine treaties' whose sanctity Germany might be expected to respect could be answered in the affirmative—although it was naturally resented as a reflection upon Germany's good faith—but that most of the other questions could only be answered with reservations or in non-committal terms. The Nazi Government were certainly not prepared to give an undertaking to respect all the remaining operative clauses of the Treaty of Versailles, nor were they willing to agree to any limitation of Air Forces,[1] or to give guarantees of mutual assistance in the East of Europe, or to enter into a non-aggression agreement with Soviet Russia. The first inclination of the German Government appears to have been to return evasive answers to the British questions, in order to keep up at least the appearance of negotiation; but before long they had become convinced of the superior advantages of returning no answer at all.

The questionnaire was examined by Herr Hitler, in consultation

[1] On this point their attitude remained the same as it had been in December 1935—that it would be impossible for Germany to accept air parity with the Western Powers without a special allowance on account of Russian air strength.

with the Foreign Minister and Herr von Ribbentrop, in the second week of May; and on the 14th May, when the British Ambassador had a preliminary conversation on the subject with Herr von Neurath, he was told that there was likely to be some delay before a reply would be ready. On instructions from London, Sir Eric Phipps called again at the Auswärtigesamt on the 26th May to press for an early reply, and he was then informed that no answer could be expected until after the formation of a new Government in France. After Monsieur Blum had taken office a fresh excuse for delay was found in the general uncertainty of the international situation—in particular the doubt as to what attitude France and Great Britain would adopt towards Italy now that the campaign in Abyssinia had ended in an Italian victory. The meetings of the League Council and Assembly which began at the end of June cleared up the situation so far as the raising of sanctions against Italy was concerned, but provided Germany with a new argument for delay by bringing to the front the question of reform of the League of Nations. It was argued that Germany could not define her attitude towards the renewal of her membership of the League and the conclusion of agreements within the framework of the Covenant until she knew the lines which a reform of the League was likely to follow; and this amounted to a notification that no reply to the British questionnaire could be expected until after the ordinary session of the League Assembly in the autumn. Moreover, in July came the outbreak of the civil war in Spain; and, amid the increasing preoccupation of the Governments of Europe with Spanish affairs, Germany could claim that this added element of uncertainty made it more than ever impossible for her to define her attitude on the questions raised by Great Britain.

The truth was, perhaps, that the offer to conclude a new Western Pact which Germany had made at the time of the reoccupation of the Rhineland was felt to have served its turn by softening the shock administered by the events of the 7th March, and now that there was no longer any danger that Germany would be penalized for her breach of treaty, it became a matter of secondary importance whether the negotiations for a new Locarno were pursued or not. The moderate element in German ruling circles which was represented by Herr von Neurath and Dr. Schacht—who advocated a policy of conciliation and negotiation in the hope that this policy, even if it did not result in the neutralization of the West, might lead to a slowing down in competitive rearmament and might even make it possible for Germany to obtain a foreign loan—had little influence in the determination of policy, and Dr. Goebbels and Herr Rosenberg

and other Nazi extremists, who were principally interested in the anti-Communist crusade and who were in favour of isolation and intensive rearmament, believed that a policy of procrastination would serve their ends without creating an overt breach with the Western Powers. Probably no member of the German Government was prepared to enter into negotiations on the terms that the settlement must be all-European or nothing; and while the Government which took office in France on the 4th June were readier than their predecessors to negotiate with Germany without the fulfilment of interim conditions, Monsieur Blum and his Foreign Minister Monsieur Delbos agreed with MM. Sarraut and Flandin in thinking that a Western settlement alone would be worse than useless.[1]

In another respect the change of Government in France definitely increased the disinclination of Germany to begin negotiations with the Western Powers. The Nazi Government would have looked askance at any Government in Paris which was partly dependent on Communist support, and when the victory of the Front Populaire at the polls was followed by an outbreak of strikes the German Government were not alone in professing to believe that France was on the verge of a Communist Revolution. In these circumstances Herr Hitler appears to have decided that the best course for Germany was to wait upon the 'dynamic of events', and meanwhile to seize any opportunity which she could exploit to her own advantage—in particular by throwing her weight into the balance in Spain.

With the raising of sanctions against Italy the German Government had to face the probability of a new attempt on the part of France to reconstruct the Stresa Front,[2] and this move was countered by efforts to make further progress in the direction of an Italo-German *rapprochement*. The stages in this process, and the steps which were taken to deal with the Austrian problem—the principal obstacle to Italo-German friendship—are recorded elsewhere in this volume.[3] Simultaneously with the *démarches* which were designed to preclude the entry of Italy into an anti-German bloc, Germany continued her attempts to establish closer relations with the British Empire. A great deal of German propaganda, which was neither very skilful nor very successful, was directed towards Great Britain, in the hope of persuading her to range herself at Germany's side in the anti-Communist crusade which the latter was preaching

[1] See pp. 344–5, below.

[2] For the attitude of Monsieur Blum's Government to the Italo-Abyssinian question and their desire to raise sanctions, see the *Survey for 1935*, vol. ii, pp. 469–71.

[3] See section (iv) (*a*) (4) and section (vii) of this part.

with ever-increasing fervour;[1] and another form of pressure was developed at the same time in the shape of the campaign for the restoration of German colonies. German propaganda probably achieved its highest degree of success when the Olympic Games were held in Berlin in August 1936, for a number of British and other foreign visitors were genuinely impressed by the evidence which they had seen of the strength and unity of Nazi Germany. Herr von Ribbentrop was also apparently considered in Berlin to have made some progress in his delicate mission of promoting an Anglo-German *rapprochement* through his social relations with prominent Englishmen;[2] at any rate, he was appointed on the 11th August to the post of German Ambassador which had been rendered vacant on the 10th April by the sudden death of Herr von Hoesch.

In embarking upon this campaign of propaganda, the German Government presumably hoped to make so many converts to the 'pro-German' school of thought in Great Britain that its influence upon policy would be decisive; but if they were looking for quick returns for their expenditure of trouble they must have been disappointed. German propaganda methods almost certainly alienated more Englishmen than they converted; and while the British Government continued to proclaim their desire for the co-operation of Germany in a new European settlement,[3] they persistently refused to treat European problems on ideological lines, and declared themselves rigidly opposed to 'the division, apparent or real, of Europe into opposing blocs'.[4] Their relations with the U.S.S.R. continued

[1] See the present volume, Part I, section (i) and Part III, section (ii).

[2] A visit which Herr von Ribbentrop paid to Lord Londonderry at Whitsuntide attracted a good deal of attention in the British as well as in the German press.

[3] In the course of the debate in the House of Commons at Westminster on the 18th June, 1936, during which Mr. Eden announced the Government's decision to support the raising of sanctions against Italy (see the *Survey for 1935*, vol. ii, pp. 445, 469), he also gave a brief résumé of recent developments in regard to the negotiations with Germany. He expressed the belief that 'nothing less than a European settlement and appeasement should be our aim', and that if Germany could give reassuring answers to the questions which he had put to her, there were 'elements in the present situation which would enable us to attempt to conclude a permanent settlement in Europe based on the disappearance of the demilitarized zone'. Mr. Baldwin, who spoke later in the debate, also declared that the Government were 'hoping to bring the French and Germans and ourselves into conference for the better security of the peace of Europe'; and he added that the part which Germany could 'play for good or for evil in Europe is immense, and, if we believe the opportunity is presented, let us do what we can to use it for good.' He also reminded the House that 'Herr Hitler has told us that he wishes for peace, and if a man tells me that . . . I wish to try it out.'

[4] Mr. Eden in the House of Commons on the 27th July.

to be on the more friendly footing which had been established at the time of Mr. Eden's visit to Moscow in the spring of 1935;[1] and they also disappointed German hopes by experiencing no hesitation or difficulty in continuing their co-operation with France after a 'Red' Government had come into power in that country.

(*i*) The Policy of the new French Government and the Three-Power Meeting in London on the 23rd July, 1936

Monsieur Blum's first speeches after he took office on the 4th June, 1936, were concerned almost entirely with internal policy, but on the 6th June, in a brief reference to foreign affairs in a speech to the Chamber, he remarked that his Government wanted 'indivisible peace with all the nations of the World and for them all'. The new Government's first full-length statement on foreign policy was read to the Senate by Monsieur Blum and to the Chamber by Monsieur Delbos on the 23rd June, and in the opening paragraphs of this declaration the Government announced again that they desired

> peace for all peoples and with all peoples, knowing that it is indivisible and that none would be safe from the conflagration that would flare up if vigilance on the part of the pacific nations were not ever-present and ever-active.

The declaration went on to emphasize the Government's faith in the League of Nations and collective security. The Covenant did not, in their view, need general reform, since the League's failures were due merely to mistakes in the application of the measures prescribed, and not to the measures themselves, but the rule of unanimity on the Council needed modification. The negotiation of regional pacts was recommended, but they must never become alliances on the old lines. Meanwhile, the Locarno Treaty was considered to be still in force for France, Belgium and Great Britain, and the Government counted on the unreserved support of Great Britain, the cordial sympathy of the United States, and the powerful co-operation of the U.S.S.R. They hoped also for the collaboration of Italy. France's relations with Belgium and with her East-European allies would continue to be intimate; and their security would constitute an integral part of

[1] See the *Survey for 1935*, vol. i, pp. 75–6, 149–52. On the 30th July, 1936, for instance, it was announced that the Export Credits Guarantee Department of the Board of Trade had agreed to provide guarantees up to £10,000,000 in connexion with orders to be placed by Russian import organizations for goods manufactured in the United Kingdom. Simultaneously, it was announced that the Anglo-Russian naval conversations which had been going on for some time had resulted in an agreement in principle (see the present volume, p. 113). At the beginning of September a British military mission visited Russia in order to attend the Army Manœuvres.

French security. They had not yet abandoned hope of disarmament, and would, as a first step, renew the demand for publicity and control of the manufacture of armaments. They would accept a Western Air Pact, but only if it was accompanied by an agreement for air limitation. In order to deal with economic needs they would suggest a meeting of the Commission of Inquiry for European Union (which had been appointed, at Monsieur Briand's instigation, in 1930,[1] but which had not met since 1932), and they pointed out that, as this Commission included representatives of all European states, whether members of the League or not, Germany would be entitled to join in the discussions.

As for Franco-German relations, it was pointed out that the parties now united in the Front Populaire had always worked for an understanding with Germany. The French Government could not ignore the facts of Germany's rapidly progressing rearmament and her repudiation of treaties, but they were prepared to examine with a sincere desire for agreement any German suggestions that were not contrary to the principle of undivided peace.

Monsieur Blum's declaration of policy contained no reference to fortifications in the Rhineland or any other German contribution to the restoration of confidence, but it left no room for doubt that his views on the separation of Eastern and Western Europe were no less strong than those of the Sarraut Government.

The new Government's declaration indicated that French foreign policy was not likely to take a decided turn under their direction, but Monsieur Blum's attitude to foreign affairs was marked from the outset by a greater spirit of conciliation and less inclination to drive hard bargains and insist upon the letter of the law than had generally been shown by Governments farther to the Right. This new spirit greatly facilitated the close co-operation between Paris and London which was recognized in both capitals to be an essential element in European peace. Indeed, Franco-British relations were so close and cordial during the second half of 1936 that, in Mr. Eden's words, 'it would be difficult to recall a time when they were better'.[2]

In the last week of June two members of the British Cabinet visited Paris. On the 24th June the Minister for War made a speech to the Association France-Grande Bretagne which aroused a good deal of resentment in Germany and was criticized in some quarters in Great Britain as excessively pro-French.[3]

[1] See the *Survey for 1930*, p. 141.

[2] Mr. Eden in the House of Commons on the 5th November, 1936.

[3] The question of the desirability of Ministers other than the Prime Minister

> Franco-British friendship [said Mr. Duff Cooper] is not a question of sentiment or even a question of choice. It is an urgent necessity, a question of life and death for our two countries. . . . Not only our frontiers but our very ideals are in mortal danger. . . . At a period as dangerous as ours we cannot better help the cause of world peace than in giving the whole world the continuous proof of the solidity of our friendship and of the unity of France and Great Britain.

Mr. Duff Cooper was speaking in his personal capacity, but a Cabinet one of whose members gave utterance to such sentiments could be presumed not to have any immediate intention of coming down on the German side of the fence. On the next day Mr. Eden arrived in Paris on his way to Geneva for the meetings of the League Council and Assembly, and had an informal discussion on the European situation with MM. Blum and Delbos in the light of the declaration on foreign policy which they had just made. During the first four days of July there were informal meetings at Geneva between Mr. Eden, Monsieur Blum and Monsieur Delbos, and Monsieur van Zeeland and his Foreign Minister, Monsieur Spaak, at which the procedure that was to be followed in the immediate future was discussed. Mr. Eden had abandoned hope by this time of a reply to his questionnaire from Germany (he told the House of Commons on the 7th July, after his return from Geneva, that he did not intend to make any further requests for an answer), but he was anxious that Germany's failure to give the assurances for which she had been asked should not prejudice the possibility of negotiations. Monsieur Blum, for his part, indicated that his Government did not consider the lack of reparation for the reoccupation of the Rhineland as an obstacle to negotiations with Germany, but he shared Monsieur Flandin's desire to obtain the most binding guarantees of assistance from Great Britain, and he appears also to have shared Monsieur Flandin's view that the best way of tying the British Government down to the contingent obligations which they had undertaken would be a decision by the Locarno Powers other than Germany that conciliation had failed within the meaning of the agreement of the 19th March.

The difference of opinion between Mr. Eden and Monsieur Blum was crystallized on a question of procedure: Monsieur Blum wanted an early meeting of the four Western Powers to discuss the situation and decide whether there were any basis for a settlement with Germany—with the possibility that Germany might be invited to take part in later discussions if such a basis could be found; while Mr.

and the Foreign Minister making statements on foreign policy was raised in the House of Commons and the House of Lords, and there was a good deal of comment on Mr. Duff Cooper's speech in the press.

Eden wanted to bring Germany into the discussions immediately. Mr. Eden, however, agreed provisionally to the idea of a preliminary four-Power meeting, and Monsieur van Zeeland, who had once more played the part of 'honest broker', was entrusted with the task of arranging the date and place of the Conference—which might, it was thought, be held towards the end of July in Brussels—after further consultation with the interested Governments. Monsieur van Zeeland's first step was to approach the Italian Government in order to ascertain whether they would be prepared to attend such a meeting. On the 11th July it was announced that the Italian Government had told Monsieur van Zeeland that they were 'ready to give a concrete contribution for guaranteeing peace', but that they had 'been obliged to take account of the existence of certain Mediterranean obligations[1] which' formed 'an obstacle to Italy's participation in the work of international co-operation in which she is so earnestly interested'; and that they considered it 'necessary to invite Germany also to the preparatory phase of the forthcoming Locarno meeting', since 'the absence of one of the signatory states to the Treaty of Locarno would complicate rather than clarify the existing situation'.

The first of the Italian conditions for participation in a meeting of the Locarno Powers was met by the liquidation of the arrangements for mutual assistance in the Mediterranean, which was completed before the end of July,[2] but although the British Government were in favour of accepting the second condition also, the French Government refused to agree to it. They were strongly of opinion that the attitude of Italy ought not to prevent the Powers which remained faithful to their Locarno obligations from meeting to discuss the situation, and they urged that an Anglo-Franco-Belgian preparatory conference should be summoned without delay. In the light of these French representations the British Government finally abandoned the standpoint that a meeting which was not attended by either Germany or Italy would serve no useful purpose and that it would be better to postpone the Conference and endeavour to prepare the ground for general discussions through diplomatic channels. They finally agreed to a three-Power meeting on the understanding that its purpose would be to draw up a programme for discussions with Germany and Italy and that there should be no question of recording the failure of the effort at conciliation referred to in the agreement of the 19th March. Having gained the point that there should be a

[1] For these obligations see the *Survey for 1935*, vol. ii, section (viii).
[2] *Op. cit.*, pp. 512–13.

three-Power meeting, the French Government agreed that the scope of the discussions should be limited and that there should be no definite decisions except on questions of procedure. On the 21st July it was announced that the Governments of France, Belgium and the United Kingdom had agreed to meet in London on the 23rd July in order to 'examine the situation, and to consider how best to further the desire of the three Powers to consolidate the peace of Europe by means of a general settlement'.

France was represented at these three-Power conversations by Monsieur Blum and Monsieur Delbos, Belgium by Monsieur van Zeeland and Monsieur Spaak, and Great Britain by Mr. Baldwin, who presided, as well as by Mr. Eden and Lord Halifax. The French Ministers made a particularly favourable impression in London and convinced their British colleagues of their sincere desire to come to terms with Germany. Since the ground had already been thoroughly explored in the exchanges of views which had been taking place during the past three weeks, no difficulty was experienced in reaching agreement; and the proceedings were not only brief but were also marked by a degree of harmony which was unusual at international gatherings. The Conference lasted only one day, and the conclusions at which the representatives of the three Powers had arrived were made public in a *communiqué* on the evening of the 23rd July.

> The representatives of France, Belgium, and the United Kingdom, mindful of the arrangements of the 19th March and of the proposals of the German Chancellor of the 31st March and those of the French Government of the 8th April, have arrived at the following conclusions:
>
> 1. The main purpose to which the efforts of all European nations must be directed is to consolidate peace by means of a general settlement.
>
> 2. Such a settlement can only be achieved by the free co-operation of all the Powers concerned, and nothing would be more fatal to the hopes of such a settlement than the division, apparent or real, of Europe into opposing blocs.
>
> 3. The three Governments accordingly consider that steps should be taken to arrange a meeting of the five Locarno Powers as soon as a meeting can conveniently be held. The first business to be undertaken should in their opinion be to negotiate a new agreement to take the place of the Rhine Pact of Locarno and to resolve, through the collaboration of all concerned, the situation created by the German initiative of the 7th March.
>
> 4. The three Governments accordingly propose to enter into communication with the German and Italian Governments with a view to obtaining their participation in the meeting thus proposed.
>
> 5. If progress can be made at this meeting, other matters affecting European peace will necessarily come under discussion. In such circumstances it would be natural to look forward to the widening of the area of the discussion in such a manner as to facilitate, with the collaboration

of the other interested Powers, the settlement of those problems the solution of which is essential to the peace of Europe.

If this *communiqué* of the 23rd July is compared with the agreement of the 19th March, 1936,[1] or with the French memorandum of the 6th April,[2] or even with the British questionnaire of the 7th May,[3] it will be seen that the three Powers had moved a very considerable way in the direction of meeting Germany. It was now tacitly assumed that the 'interim period'[4] was at an end, in spite of Germany's failure to fulfil any of the conditions which had been laid down as applicable during that period; and the polite terms in which Germany's breach of treaty was referred to—'the situation created by the German initiative of the 7th March'—were almost equivalent to a formal recognition of the *fait accompli* in the Rhineland. The reference to the French proposals of the 8th April was an indication that it was not intended to take the German proposals as the sole basis of discussion, but there was no attempt, such as had been made in the agreement of the 19th March, to define the agenda of the Conference. The intention was that the agenda should be worked out in consultation with Germany and Italy.[5] Moreover, it appeared that there were to be no further efforts to ascertain in advance what Germany's attitude would be on the various points which had been mentioned in the French memorandum and in the British questionnaire. The three Powers were now ready to meet Germany round a conference table as soon as possible. To arrive at this point it had evidently been necessary for the French Government to make substantial concessions. In return the reference to the arrangement of the 19th March in the opening paragraph of the *communiqué* was interpreted as an assurance from the British Government that the guarantees of assistance which they had given would remain valid until further notice, and the British representatives were also said to have shown full appreciation of the French point of view in regard to the indivisibility of peace. The terms of the *communiqué* made it clear that an all-European settlement was the object which the three Powers had in mind, though they were prepared, as they had been in March, to negotiate in the first place for a new Western Pact and

[1] See pp. 290–4, above.
[2] See pp. 328–32, above.
[3] See pp. 335–9, above.
[4] It may be noted that the interim period of four months which Herr Hitler had suggested in the note of the 31st March would end on the 1st August, 1936.
[5] Mr. Eden told the House of Commons on the 27th July that 'it was essential, if they were to have any chance of success in the five-Power meeting, that its programme should be worked out jointly and privately. . . . What the Government wanted to do was to attempt, through diplomatic channels, to get agreement on time and place and to get agreement also on the agenda.'

leave 'the widening of the area of the discussion . . . with the collaboration of the other interested Powers' until a later stage.[1] The most important result of the London conversations, however, was perhaps the establishment of a real feeling of solidarity between the British and French Governments, which was a cause of satisfaction on both sides and which opened up a more hopeful outlook for the future. The *communiqué* of the 23rd July had a 'good press' in France, where the success of the meeting was widely attributed to Monsieur Blum's personal qualities; and in some quarters in London the prospects for a new European settlement were considered to be more favourable in the last week of July than they had been for a long time. Mr. Eden paid a warm tribute to 'the farseeing statesmanship and the generous collaboration' of the French and Belgian Ministers when he gave a brief account of the conversations in the course of a debate on foreign affairs in the House of Commons on the 27th July; and he added that the *communiqué* issued at the end of the meeting showed that the three Powers now looked 'definitely to the future' and did not 'confine' themselves 'to the past'.[2]

[1] The French representatives were reported to have suggested that the Five-Power Conference should be enlarged from the outset in order to bring in Russia, Poland and the Little Entente states, but to have abandoned this plan owing to its unacceptability to Great Britain.

[2] In the debate, which ranged over all questions of current international importance, Sir Austen Chamberlain and Mr. Lloyd George were again the leading exponents respectively of the pro-French and the pro-German point of view. Sir Austen Chamberlain asked in what mood Germany would come to the proposed conference.

> A questionnaire had been sent by this country to Germany, and he knew of no parallel instance of a Government professing a desire for peace and friendly relations which had shown such a studied contempt for a friendly overture. It was an ill omen for the coming conversations. The further we advanced the further Germany receded; the more we showed our willingness to grant the higher her demands rose.

This speech was described by Mr. Lloyd George as 'damaging and mischievous', 'pernicious and provocative'. He declared that he was 'not merely relieved but very delighted' at the *communiqué* of the 23rd July.

> If it meant anything it meant that the Government were going to make a real, genuine effort to try to put an end to the feud which had existed for centuries between Teuton and Gaul and which had simply drenched the soil of Europe in blood. . . . He was glad that the invasion and fortification of the Rhineland had been treated as something which must be accepted for the moment. They could not reverse it. When France had built the most gigantic fortifications ever seen and had guns that fired straight into Germany, if Hitler had not taken some action to protect his country he would have been a traitor to his Fatherland.

Mr. Lloyd George was one of the most distinguished of the British sympathizers with the Nazi régime, and his part authorship of the Treaty of Versailles lent his adherence special importance in German eyes. He received a particularly warm welcome when he visited Germany in September 1936,

(*j*) The Change in Belgian Foreign Policy

From the terms of the *communiqué* which was published at the end of the Anglo-Franco-Belgian meeting in London on the 23rd July, and from the information which was made public regarding the harmonious nature of the proceedings, it would have been difficult to deduce that the three Powers were not of one mind in regard to the nature of the new agreement which it was the object of the proposed Five-Power Conference to conclude. In point of fact, however, there had already been indications that Belgium was giving serious consideration to her position under a 'new Locarno'; and when in the autumn it became apparent that the preliminary phase of the negotiations for a Western settlement would be protracted, the Belgian Government defined their position in terms which made it clear that they were no longer prepared to accept reciprocal obligations of mutual assistance similar to those for which the original Rhineland Pact had provided.

The first impression which was created abroad by King Leopold's speech to his Cabinet on the 14th October, 1936, in which the new Belgian policy was announced to the World, was that it was a statement of Belgium's desire to contract out of the collective system based on the Covenant of the League of Nations in order to return to her pre-war status of guaranteed neutrality. In authoritative Belgian circles, however, this interpretation was declared to be based on a misconception. Belgium, her spokesmen declared, had no intention of defaulting upon any obligations arising out of her membership of the League of Nations; but in the circumstances of the day she felt bound to ask that her undertakings should be clearly defined and limited, and that in future she should be recognized as being in a different position from the Great Powers in the matter of guarantees of assistance. The Belgian attitude was no doubt coloured to some extent, like that of other small states at the time,[1] by the failure of the League of Nations to save Abyssinia from annihilation; for the outcome of the Italo-Abyssinian War, following upon the previous failure of the League to restrain Japanese aggression in Manchuria, had inevitably undermined the faith of even the most convinced believers in the collective system as a guarantee of national security. It was the German *coup* of the 7th March, 1936, however, which was the determining factor in the Belgian case. The abolition of the de-

and his own account of his interviews with Herr Hitler, which was given wide publicity in the British press, was recognized as a valuable asset in the German campaign of propaganda.

[1] See the Introduction to this volume, pp. 2 *seqq.*, above.

militarized zone in the Rhineland laid Belgium open once more to sudden attack from Germany, and in Belgian eyes this danger was not offset by the guarantee that Belgium would receive assistance from the other Locarno Powers if she were to become the victim of aggression from Germany. It seemed to Belgian minds that a better hope of safety for their country lay along the line of abandoning an intimate relationship with one of Belgium's powerful neighbours, which might give the other neighbour a motive for attacking her, and at the same time building up her own armed defences to a point at which she would be an unpleasantly hard nut for an aggressor to crack. This strengthening of Belgium's armed forces would, it was felt, be a substantial contribution towards the general security of Western Europe—since a fully armed Belgium could not easily be used as a passage way or a base of operations by a Great Power on the war-path—and it was assumed that this *quid pro quo* would justify the request that Belgium should continue to enjoy guarantees of assistance without undertaking reciprocal obligations. (In support of this assumption it was argued that the motives of self-interest which had caused France and Great Britain to guarantee the integrity of Belgium before 1914 still held good.)

The movement for a loosening of the bonds with France had been gaining strength in Belgium for some time past. The traditional Flemish mistrust of France had been deepened during the past two years by the breakdown of the disarmament negotiations—for which France was considered to be responsible—and by the signature of the Franco-Russian Pact of the 1st March, 1935, which, in the Flemish view, increased the danger that Belgium, as an ally of France, might be drawn into a war which would be no concern of hers. The Flemish attitude towards the Franco-Russian Pact was shared to some extent even by the Walloons, who were strong supporters of friendly relations with France but who, as Democrats, felt almost as much fear and suspicion of Soviet Russia as of Germany. The feeling in Belgium in favour of sheering off from France was stimulated by the victory of the Front Populaire in the French elections, and at the same time the rise of the Rexist Party introduced a new disturbing factor into Belgian public life.[1]

During the spring and summer of 1936 Monsieur van Zeeland's Government were subjected to increasing pressure from public opinion on the subject of Belgium's international obligations in

[1] The Rexists secured 21 seats in the Chamber and 8 seats in the Senate in the general election which was held in the last week of May (see pp. 36–7, above).

general and her relations with France in particular. Even before the German reoccupation of the Rhineland, this pressure had been strong enough to induce the Belgian Government to take the step of formally terminating the military agreement with France of September 1920 and replacing it by an exchange of notes which made it clear that the agreement was strictly limited in scope. The agreement of 1920 had provided in the first place for measures to be taken in common by France and Belgium during the Allied occupation of the Rhineland, and these provisions had become obsolete on the withdrawal of the Allied troops from the Rhineland in 1929. The agreement had also provided for consultation between the French and Belgian General Staffs in the event of aggression, or the threat of aggression, from Germany, and this provision was retained in the notes which were exchanged on the 6th March, 1936[1] (the day before the German troops marched into the Rhineland). The object of this maintenance of contact between the General Staffs, it was explained, was to enable the parties to carry out their obligations under the Rhineland Pact of Locarno, and a reservation was added to the effect that 'such contact' could not 'lead to any undertaking of a political nature nor any obligation with regard to the organization of national defence for either of the interested parties'. This Franco-Belgian exchange of notes was announced in the Belgian Chamber on the 11th March by Monsieur van Zeeland, who explained that his Government had considered it desirable to clear up the misconceptions regarding the nature and scope of the agreement of 1920 which had existed in Belgium as well as in other countries.

This step did little to disarm the Belgian Government's political opponents, who continued to demand a greater degree of independence in Belgian foreign policy. A considerable proportion of the advocates of detachment were strongly opposed to any measures for strengthening Belgium's armed forces so long as they might have to be used, not for the defence of Belgium's own interests, but for the fulfilment of her international obligations; and it was their attitude on this point which placed the greatest difficulties in the way of the Government. After the events of the 7th March the van Zeeland Government had decided that it was necessary both to take part in the General Staff conversations with France and Great Britain and to push on as rapidly as possible with arrangements for national defence.[2] As King Leopold reminded the Cabinet on the

[1] The text is printed in the accompanying volume of *Documents on International Affairs, 1936*, pp. 72–3.

[2] A National Defence Plan which had been adopted in 1931 had been

14th October, 1936, 'the necessity of rendering Belgian military power commensurate with the risks of dangers from abroad first became apparent in the spring of 1935';[1] and in the course of that year the Government had drawn up proposals which were incorporated into a Defence Bill in February 1936. This Bill, which provided for an extension of the period of service with the colours from a maximum of twelve months to a maximum of eighteen months, was opposed by the Socialists as well as by the Flemish Parties, and was rejected by the Chamber at the end of February. On the 25th March, 1936, a Mixed Commission was appointed to examine the whole question of national defence, and the Commission came to the conclusion that an extension of the period of service was essential at any rate during the 'lean years' 1937–41. A new Bill was accordingly drafted which again raised the maximum period of service to eighteen months and provided for other changes, including an extension of the system of voluntary service with the forces. The enrolment of men of the 1937 class in the forces would begin on the 1st December, 1936, and the Government considered it essential that the Defence Bill should become law before that date.[2] On the 14th October a special meeting of the Cabinet was called to examine the situation in regard to defence and the prospects of securing parliamentary approval for the new Bill, and it was at this meeting that the King of the Belgians made his speech giving an outline of the foreign policy which the Government had decided to adopt.

For some weeks before King Leopold's speech of the 14th October the Governments of France and Great Britain had been aware of the direction in which Belgian foreign policy was moving. The first public warning was given just before the Three-Power Conversations in London in July, when Monsieur Spaak, who had recently taken office as Foreign Minister in a reconstituted Cabinet under Monsieur

making steady but not rapid progress. The principal object of this plan was to create frontier posts and 'centres of resistance' which would be strong enough to hold up an invading army until help from other countries could be made effective.

[1] i.e. when the German Government re-established universal compulsory military service (see the *Survey for 1935*, vol. i, Part I, section (vi) (*c*)).

[2] The Bill actually passed the Chamber, by 137 votes to 43, on the 2nd December, after an amendment had been adopted making the period of military service seventeen months instead of eighteen. It passed the Senate on the 4th December. (See also pp. 126, 144, 154, 158, above). During the first week of December Monsieur van Zeeland and Monsieur Spaak had conversations with Monsieur Bech, the head of the Government of the Grand Duchy of Luxembourg, and it was believed that the discussions turned on the possibility of a contribution by Luxembourg towards the cost of the Belgian defence scheme—for instance, the construction of fortifications near the frontier.

van Zeeland's leadership, made a speech to the Foreign Press Union in Brussels on the 20th July. Monsieur Spaak indicated the general lines of the policy which he intended to follow and declared that it must be of a resolutely realistic character. If, he said, he had to choose between a struggle to enforce right and the maintenance of peace, he would choose peace.

> There must be a hierarchy in international obligations. The nations of a continent cannot reasonably be asked to consider with the same realism and sincerity of judgment affairs which directly concern them and events which are taking place thousands of kilometres away in regions where they have neither interests nor influence. Indivisible peace, mutual assistance, and even collective security are general ideas whose practical effect must be clearly explained and clearly limited. . . . The [Belgian] Minister for Foreign Affairs must never forget the geographical position of his country, the existence of Flemish and Walloon populations, and the relativity of Belgian strength; these three undeniable realities must form the basis for his conclusions.

This speech was not well received either in France or in Belgian Socialist circles, which remained faithful to the principles of collective security. A few days later, in London, Monsieur Spaak and Monsieur van Zeeland adhered, as has been mentioned, to the three-Power decision to summon a Conference as soon as possible for the conclusion of a 'new Locarno', and on the 27th July, after his return from London, Monsieur Spaak, who was himself a Socialist, gave the General Council of the Belgian Socialist Party an assurance that his speech of the 20th July had not been intended to mark a new departure in Belgian foreign policy, and that the Government of which he was a member took the same view as previous Governments on the questions of collective security and mutual assistance and Belgium's obligations under the Covenant. During the next two months, however, under the pressure of internal political developments, the change in the Government's attitude on these questions that had been foreshadowed in Monsieur Spaak's speech became more definite, and in conversations with French representatives at Geneva at the end of September and the beginning of October the Belgian Foreign Minister explained that it was his Government's wish that, at the Five-Power Conference for the negotiation of a new Western Pact which the British Government were endeavouring to arrange, Belgium should be given guarantees of assistance in case of aggression, but that she should be relieved of any obligation to guarantee other Powers in return, and that her responsibilities should be confined to providing the fullest possible measures for her own defence. This proposal for armed and guaranteed independence was not rejected

out of hand by the French representatives, but they suggested that before any definite step was taken the General Staffs of France and Belgium and Great Britain should be consulted in regard to the practical effect which such a change in the status of Belgium would have upon the system of guarantees. Monsieur Spaak appears to have accepted this suggestion, and the French Government therefore did not anticipate any further developments in the near future, and were considerably taken aback when they learnt of the terms in which King Leopold had addressed a meeting of the Cabinet on the 14th October.[1]

The passage in the King's speech[2] which attracted attention abroad ran as follows:

> Our military policy, like our foreign policy, by which it is necessarily determined, must aim not at preparing for a more or less victorious war as the result of an alliance but at keeping war away from our territory. The reoccupation of the Rhine by breaking the Locarno agreements both in the letter and in the spirit has placed us almost in the same international position as we were in before the War.
>
> Our geographical situation obliges us to maintain a military machine of such a size as to dissuade any of our neighbours whatsoever from using our territory for attacking another state. In fulfilling this mission Belgium is contributing in an outstanding fashion to the peace of Western Europe; and she creates for herself, *ipso facto*, a right to the respect, and to assistance if need be, of all the states which are interested in this peace. On these facts, I think, Belgian public opinion is unanimous.
>
> But our engagements must not go beyond that. All unilateral policy weakens our position abroad and—rightly or wrongly—arouses dissensions at home. An alliance, even a purely defensive one, would not lead to this end; for, however prompt the assistance of an ally might be, he could intervene only after the invader's attack, which would be of lightning swiftness. In resisting this attack we should be to all intents and purposes alone.
>
> Unless she herself had at her command a defence system capable of resisting the attack, Belgium would find herself at the very outset deeply invaded and immediately pillaged. After this stage was passed friendly intervention might, it is true, result in a final victory, but the

[1] The French Government's surprise was all the greater because the Belgian Ambassador had had an interview with Monsieur Delbos on the 13th October and had not mentioned that any step of the kind was contemplated.

[2] For reasons of space, it is not possible to reproduce the whole of King Leopold's speech here, but for an understanding of the Belgian case it should be remembered that the primary object of the King's declaration was to obtain the greatest possible measure of agreement on the Government's defence proposals, and a large part of the speech was devoted to an exposition of the circumstances which had led the Government to decide upon an increase of military strength. (The text of the speech will be found in *Documents on International Affairs, 1936*, pp. 223–7.)

struggle would have covered the country with ravages of which those of the 1914–18 war offer only a pale reflection.

That is why we must, as the Minister for Foreign Affairs said recently, pursue a policy 'exclusively and completely Belgian'. This policy must aim resolutely at putting us outside the conflicts of our neighbours; it responds to our national ideal. It can be achieved with a reasonable military and financial effort, and it will win the support of the Belgians, who are all animated by an intense and instinctive desire for peace.

Let those who doubt the possibility of such a foreign policy consider the proud and decided example of Holland and of Switzerland. Let them recall with what decisive emphasis the scrupulous observation by Belgium of her status of neutrality weighed in our favour, and in the favour of the Allies, during the War and during the subsequent settling of accounts.

Our moral situation would have been incomparably weaker at home, and the world would never have accorded us the same sympathy, if the invader had been able to draw an argument from an alliance on our part with one of his adversaries. It is thus, I repeat, solely to preserve ourselves from war, whencesoever it may come, that our military system must be organised; and it is important that public opinion should receive an indisputable assurance of the fact.

The first reaction to the publication of the text of the King's speech[1] in France was extremely unfavourable. French public opinion had not been prepared for any move of the kind, and Belgium was accused in the French press of betraying her ally by breaches of treaty no less serious than those of which Germany had been guilty. The first impression that the Belgian Government intended to repudiate all their international obligations in a single breath was modified to some extent on a more careful examination of the text of the speech and on the receipt of explanations from Brussels; but there remained a considerable degree of anxiety in France in regard to the implications of the policy which King Leopold had outlined—especially in regard to its effects upon the system which France had built up for her own security. Did Belgium, for instance, intend to claim a special status within the League, like that of Switzerland, which would enable her to prohibit the passage of troops across her territory? Would she refuse to take part in any future conversations between General Staffs, which were, in the French view, an integral part of the arrangements for meeting a possible German act of aggression? And what would be the effect upon the implementation

[1] Since the speech was made to the Cabinet its terms would not in the ordinary way have been made public, but the members of the Government who listened to it were strongly impressed by it, and felt that its publication would make it much easier to obtain general consent to the Defence Bill. It was in these circumstances that the King, at Monsieur van Zeeland's request, agreed that the text of his address should be published.

of the British guarantee to France if British aeroplanes were to be prohibited from using Belgian air bases or even from flying over Belgian territory?

The excitement which was aroused in France by King Leopold's speech had a rather disconcerting effect in Brussels. The Cabinet had regarded the publication of the speech primarily from the point of view of its effect upon the domestic political position and had not apparently troubled themselves very much over the impression which it would create in other countries. Requests for an elucidation of Belgian policy were received immediately from both Paris and London, and the Belgian Ambassadors in those capitals were promptly instructed to convey assurances to the French and British Governments that the Belgian Government had not the slightest intention of going back on any engagements into which Belgium had entered. The Ambassadors were said to have laid special stress on the fact that the new status which Belgium desired would differ from her pre-war status not only in respect of her membership of the League of Nations but also in the important respect that her resistance to attack would not be limited but would extend to her full capacity on the basis of the mobilization of the whole nation for defence of the national territory.

In a speech at a meeting of the Brussels Socialist Federation on the 18th October Monsieur Spaak declared again that Belgium remained favourable to the principles of collective security and mutual assistance and intended to honour her existing obligations, but at the same time he reminded his hearers of the fate of Abyssinia, who had trusted to those principles instead of organizing her own defence.[1] He gave similar assurances at a meeting of the Foreign Affairs Committee of the Senate on the 21st October. On the 28th October a debate on foreign policy took place in the Belgian Chamber, and although this did not clear up all the obscurities, it threw a certain amount of light on the scope and implications of the new policy. Flemish Nationalist and Catholic speakers urged the Government to denounce even the modified form of the Franco-Belgian military agreement and to withdraw from the League of Nations, but Monsieur Spaak made it clear that there was no intention of taking either of these steps. There was no question, he said, of a return to Belgium's pre-war status. Belgium would maintain her membership of the League, but her commitments must be clearly defined. Germany's violation of the Locarno Treaty had created an entirely new

[1] Monsieur Spaak made the same point in a speech at the Socialist Party Congress on the 27th October.

situation, and although temporary steps had been taken to preserve the *status quo*, the arrangements were recognized to be only provisional. Belgium would not allow a Power which wished to attack another to make use of her territory for the passage of troops or as a base,[1] and she considered that in organizing her own defence she would be making her contribution to the structure of peace. Monsieur Spaak defined the principles of his foreign policy as follows:

> Not to sacrifice our security and our interests to formulas or ideologies which cannot be translated into reality.
>
> To do nothing which might increase the tension in Europe.
>
> No policy of alliances directed against any other people.
>
> To refuse to intervene in the internal affairs of any other people and to prevent by all available means any intervention in our own affairs.
>
> To join in any reasonable collective action with a view to the maintenance of peace.
>
> To observe scrupulously our engagements, but to insist that they must be clear, precise and unequivocal.
>
> Within this framework, to follow a Belgian policy, taking account of our geographical position, of our historical traditions and of our possibilities.

The interpretation which was to be placed upon the speeches of King Leopold and Monsieur Spaak, and the practical effects of the new policy, presumably became somewhat clearer to the interested Governments in the course of the diplomatic exchanges of views between Belgium, France and Great Britain which began immediately after King Leopold's declaration. The general impression was that Belgium's attitude and her demand for unilateral guarantees need not prove an obstacle to the conclusion of a new Western Pact, but would probably make it more difficult to devise those arrangements for giving effect to guarantees of assistance to which France attached paramount importance. The Belgian Ambassador in France was said to have given Monsieur Delbos an assurance that Belgium would not automatically close her frontiers to French and British troops or prohibit the passage of aircraft, but to have told him at the same time that she would wish to retain her freedom to use her discretion when the occasion arose. He was also said to have indicated that the existing obligations which Belgium would honour until they were replaced by others included the arrangement for General Staff conversations. Monsieur Delbos, for his part, was reported to have told the Ambassador on the 20th October that France would agree to the Belgian demand for a unilateral guarantee on the condition

[1] This statement was not free from ambiguity, but it could be interpreted as applicable only to an aggressor and not to the passage of troops in execution of Article 16 of the Covenant.

that Belgium entered into no agreement with Germany which would entail the communication to Berlin of confidential information regarding arrangements for Franco-Belgian co-operation in the execution of the French guarantee. The question of the future status of Belgium was still under consideration at the end of the year 1936. The Anglo-French declaration of the 24th April, 1937, which released Belgium from her obligations of assistance under the Treaty of Locarno and the agreement of the 19th March, 1936, falls outside the period under review in this volume and must be reserved for treatment in the *Survey for 1937*.

(*k*) The Negotiations between the Locarno Powers and the Attempt to assemble a Five-Power Conference (August to December 1936)

During the last four months of 1936 the British Government pursued their endeavours to bring the Locarno Powers together for the negotiation of a new agreement, but their efforts met with little success. The German and Italian Governments had been kept informed by the British Government of the progress of the Anglo-Franco-Belgian exchanges of views during the first three weeks of July, and the results of the London meeting of the 23rd July were immediately communicated to them. Mr. Eden received the German and Italian *chargés d'affaires* in London on the 24th July, when he 'explained to them the scope and the purpose of the *communiqué* and expressed to them the hope that their respective Governments would be able to return a favourable answer to the invitation [to a Five-Power Conference] conveyed therein'; and representations to the same effect were made by the diplomatic representatives of Great Britain, France and Belgium in Rome and in Berlin. Some annoyance had been exhibited in Germany when it became known that the British Government had waived their objections to a meeting which was not attended by Germany or Italy, and German press comment on the *communiqué* was critical though not actually hostile. After a German-Italian exchange of views, however, the diplomatic representatives of France, Great Britain and Belgium in Berlin and Rome were informed on the 31st July that the German and Italian Governments accepted the invitation to a Five-Power Conference in principle, but that they desired a thorough preparation of the ground in advance. Herr von Neurath also explained that his Government would not be able in any case to take part in a Conference before the middle of October, as they would be very fully occupied during the next two months in connexion with the Olympic

Games in Berlin and the annual National-Socialist Party Rally at Nuremberg in September. By this reply Germany made sure that there would be a further delay of some weeks before any definite decision need be taken.

In August an approach to France, to which foreign observers attached a certain amount of importance at the time, was made by Dr. Schacht. At the beginning of the month Monsieur Labeyrie, the new Governor of the Bank of France, paid what was described as a courtesy visit to Dr. Schacht in Berlin, and on the 25th August Dr. Schacht arrived in Paris to return this visit. Dr. Schacht stayed in Paris for some days, and his conversations with Ministers were understood to have covered political as well as economic and financial questions. On the 24th August Herr Hitler had issued a decree fixing the term of compulsory military service in Germany at two years,[1] and Dr. Schacht seems to have made a great effort to reassure the French Government on the subject of this and other steps in the process of German rearmament. He endeavoured to persuade Monsieur Blum, apparently, to abandon the French pact with Russia and to negotiate a new settlement which would provide for disarmament and for economic co-operation as well as for the security of the Western Powers.[2] So far as French relations with Eastern Europe were concerned, Dr. Schacht's arguments fell on deaf ears, but in respect of the possibility of a Franco-German economic *rapprochement* and of a new approach to the problem of armaments his overtures were not rejected. In the middle of September Monsieur Bastid, the French Minister for Commerce, went to Berlin for further discussions with Dr. Schacht, and on the 16th it was announced that as a result of these conversations 'a community of views was established as to the objectives of Franco-German economic relations'. At the seventeenth session of the League Assembly, which began a few days later, the French delegation took the initiative in an attempt to reopen international discussions on armaments,[3] but in regard to economic co-operation the step which the French Government took at the end of September was a blow to Dr. Schacht's hopes. The French Government's

[1] See p. 147, above.

[2] He was said to have suggested also that the question of colonies might be discussed during the preparatory phase of the negotiations.

[3] The French delegation suggested that the Bureau of the Disarmament Conference should be convened at an early date, and announced that the French Government intended to place before the Bureau certain questions which had already been investigated and on which they believed that a decision could be reached. The Council, on the 10th October, authorized its President to settle a date, as early as possible, for the meeting of the Bureau.

decision to devalue the franc and the conclusion of the Franco-British-American currency agreement[1] took Germany by surprise, and reduced still further the chance that Dr. Schacht and other members of the more moderate school of thought in Germany might be able to exercise a restraining influence upon the Government's policy.

Meanwhile the Nazi extremists had been pursuing their own aims by their own methods. At the Nuremberg Party Rally in September the proceedings seemed to be working up to a climax which would be marked by an announcement that Germany had decided to break off relations with the U.S.S.R., and the only trace of moderate influence upon Herr Hitler at this stage was to be found in the fact that this final step was not taken.[2] The primary object of the violent denunciation of Communism and of the U.S.S.R. which was the outstanding feature of the rally was presumably to impress the need for unity upon the minds of the German people, and it is probable that the Nazi leaders did not seriously expect to convince public opinion abroad by this means of the importance to other countries of Germany's self-imposed mission as the bulwark of Europe against the Communist flood. The speeches which were made by Herr Hitler, Dr. Goebbels and other prominent Nazis at the Nuremberg rally certainly produced a most unfavourable impression upon British opinion, and in France the effect was to make the maintenance of the Franco-Russian Pact a matter of honour as well as of expediency. In a speech at Bergerac, on the 13th September, the French Foreign Minister declared that France intended to maintain and develop the friendship uniting her with other peaceful nations, and that these purely defensive agreements could not be reconsidered and could not be legitimately condemned simply because they raised barriers against aggression. 'It is not from our side', declared Monsieur Delbos, 'that are coming calls to arms, exhortations to crusades and ideas which would bring fire and blood to Europe.' In a broadcast speech delivered four days later, Monsieur Blum also emphasized the fidelity of France to her engagements and to the pacts which she had concluded. France

> would be unanimous in maintaining against any pressure or prohibition her full independence of conduct, her full liberty to decide and choose for herself. She did not wish to constrain anyone and she would not allow herself to be constrained directly or indirectly by anyone.

These speeches were made on the eve of the opening of the seven-

[1] See the present volume, Part II, section (i) (*d*).
[2] See section (vii) of this part of the present volume.

teenth session of the League Assembly, and when the session was drawing towards its close Monsieur Blum paid a visit to Geneva, not for the purpose of joining in the debates, but primarily for the purpose of reassuring France's East-European allies that he did not intend to give way to German persuasions. Monsieur Blum had a series of interviews with the representatives of Russia, Poland and the Little Entente, as well as with the representatives of other states which were interested in the general questions of economic relations and armaments. In a statement to the international press on the 3rd October he denied that anything had happened or would happen to disturb the relations of France with her East-European allies, and declared in categorical terms that his Government regarded the proposed Five-Power Conference merely as a prelude to a general European settlement.[1]

Meanwhile the attempt to prepare the ground for a Five-Power Conference through diplomatic channels, which had been going on since the beginning of August,[2] had not been making very rapid progress—partly as a result of concentration on events in Spain and their international repercussions. By the second week of September, however, the British Government, who had been taking the initiative throughout, decided that the time had come for a definite step forward, and instructed their diplomatic representatives to inquire whether the interested Governments would be willing to attend a Conference in the middle of October. These *démarches* produced favourable replies from France and Belgium, but the German Government replied that they did not think that

[1] On the other hand, the terms in which Mr. Eden referred to regional pacts in his speech before the Assembly on the 25th September created an impression in some quarters that the British Government were only interested in the negotiations in so far as there was a prospect of concluding a Western Pact:

'In the view of His Majesty's Government in the United Kingdom, there is every advantage in the negotiation of regional pacts devised to strengthen general security. One of the great advantages of regional pacts is that their terms are known in advance, as are the conditions in which they will apply. The value of agreements for collective action, as a deterrent to an aggressor, depends largely on the certainty that they will be applied. The uncertainty of the operation of wider and more ambitious schemes may tempt an aggressor to hazard the risk that they will not be operated. His Majesty's Government is therefore in favour of regional pacts, provided that they are consistent with the Covenant. . . . His Majesty's Government is resolved to endeavour to negotiate such a pact in respect of Western Europe.'

[2] Sir Robert Vansittart, the Permanent Under-Secretary of State at the Foreign Office in Whitehall, had visited Berlin at the beginning of August, and had an interview with Herr Hitler on the 5th. It was generally assumed that the possibilities of a Five-Power Conference had been discussed on this occasion, and that it marked the opening of the active phase of preparatory work.

the date suggested would give adequate time for the thoroughgoing preparations which they considered necessary, and the Italian Government also recommended a further diplomatic exchange of views before the fixing of the date for a Conference. On the 18th September a note[1] from the British Government was handed in at the Foreign Offices in Paris, Brussels, Berlin and Rome suggesting that the Conference should take place at the end of October and making proposals for the lines on which the preliminary negotiations might be conducted in order that they might be completed by that date.

This British note received no answer from any of the four Powers to which it was addressed for some four weeks, and during that interval there were developments in the international situation which appeared likely to exercise a considerable influence upon the course of the negotiations. In the first place, the Credentials Committee of the League Assembly decided that the Abyssinian delegates were entitled to retain their seats in the Assembly during the current session.[2] This formal notification that the Italian conquest of Abyssinia was not recognized by the majority of the states members of the Assembly was widely expected to have an untoward effect upon Italy's attitude to the five-Power negotiations. Signor Mussolini did not announce that he would have no more to do with the negotiations, but he did respond with a greater degree of warmth than he had shown hitherto to overtures from Germany. The gradual drawing together of Germany and Italy culminated in the third week of October in the visit of the Italian Foreign Minister, Count Ciano, to Germany, as a result of which the establishment of the 'Rome-Berlin axis' was announced.[3] From the point of view of the negotiations for a Western Pact, it was specially significant that during these Italo-German exchanges of views the Italian Government—who had hitherto looked somewhat askance at Germany's attitude towards the U.S.S.R. and had refused to go back on their earlier finding that the Franco-Russian Pact was not incompatible with the League Covenant—should have announced their conversion to the Nazi doctrine that Communism was Europe's Public Enemy Number One and fallen into line with German views in regard to the separation of Eastern and Western Europe. This change in Italy's attitude was made clear both by the comments on

[1] The text of the notes exchanged between September and November 1936 on the subject of a Five-Power Conference had not been published at the time of writing.

[2] See the *Survey for 1935*, vol. ii, section (xv).

[3] See the present volume, section (vii) of this part.

Count Ciano's visit in the inspired Italian press and by a speech which Signor Mussolini delivered at Milan on the 1st November, in which he rejected the 'illusions' of collective security and indivisible peace and declared that Italy was now raising her 'old banner', the 'banner of anti-Bolshevism'. It appeared also that Count Ciano and Herr Hitler had found themselves in agreement in regard to the nature of the arrangement which they considered desirable in the West. This was, broadly speaking, a Franco-German pact renouncing war, to be guaranteed by Great Britain and Italy, but with no reciprocal guarantees for those two Powers. In supporting an arrangement of this kind, Signor Mussolini perhaps had in mind the possibility that it might subsequently be developed into a Four-Power Pact on the lines which he had put forward in 1933,[1] while both he and Herr Hitler also took account of the change in Belgian foreign policy which had just been announced in King Leopold's speech of the 14th October.[2]

The declaration of the King of the Belgians had been received with satisfaction in Germany, where it was regarded as a notable success for the German policy of splitting up the Western Powers. On the 14th October the German reply to the British note of the 18th September was delivered in London, and from the information regarding its contents which was allowed to leak out into the columns of the press[3] it appeared that the German Government had been well aware of the direction which Belgian policy was taking, even if they had not actually known in advance the tenor of the King's speech. The German note was said to have suggested the conclusion of a Four-Power Pact of non-aggression which would guarantee the integrity of Belgium and the Netherlands, and which would be outside the framework of the League Covenant. There would thus be no provision, as there had been in the Locarno Treaty, that the obligation of the signatory Powers not to go to war with one another should not apply in the case of action in execution of Article 16 of the Covenant. The German Government were reported also to have raised the question of Italy's part in the guarantee system and to have inquired whether she would share in the reciprocity which Great Britain was asking for herself. In regard to Eastern Europe, the German Government's ideas were understood not to have changed, and they still advocated the conclusion of bilateral pacts

[1] See the *Survey for 1933*, Part II, section (ii).
[2] See pp. 351 *seqq.*, above.
[3] Since the text of the note had not been made public, this information lacked official confirmation at the time of writing.

of non-aggression. The basis of the German reply was therefore still the conception of a 'neutralized' Western Europe. The nature of the German proposals, however, was not such as to convince the British Government that the way to further negotiations was blocked.

A reply had already been received in London from France, the terms of which were not made known, even unofficially; and during the next fortnight the replies from Italy and from Belgium also arrived. The Italian note, which was delivered to Mr. Eden on the 20th October (on the eve of Count Ciano's visit to Berlin) was said to be conciliatory but entirely non-committal in character, and to be designed primarily to keep the ball rolling by asking for additional explanations on certain points.[1] The Belgian note, of the 23rd October, seems to have dealt principally with the questions of policy raised by King Leopold's speech, and to have explained in detail the reasons for which Belgium now considered it impossible to re-assume the obligations which she had undertaken at Locarno.

The lateness of the replies was in itself a sufficient indication that the date at the end of October, which the British Government were understood to have suggested for the Five-Power Conference, was not acceptable to the other Powers. On the 5th November Mr. Eden told the House of Commons at Westminster that 'the exchanges up to date had revealed certain important divergences. None of these divergences was in the nature of a surprise to the [Government], and though they were formidable they were not necessarily insuperable.' He hoped soon to be in a position to report further progress. On the previous day Mr. Eden had despatched to France, Belgium, Germany and Italy a note containing a comparative analysis of the previous correspondence and inquiring from each Government whether they were in favour of an early five-Power meeting or of the continuance of the discussion through diplomatic channels. The replies to this note were presumably in favour of further diplomatic preparation, for on the 19th November Mr. Eden set out in another note the British Government's views on the questions at issue, in the light of the information which was now available regarding the attitude of other Powers. The replies of France and Belgium to this note were delayed for some weeks, and in the case of Germany and Italy they were not received until the middle of March 1937.

[1] The Italian Government's attitude was coloured not only by their *rapprochement* with Germany but also by their desire for a 'gentleman's agreement' with Great Britain on Mediterranean questions (see the present volume, Part IV, section (ii)).

During this interval important developments took place—especially in regard to the policy of non-intervention in Spain and to the acceleration of the British rearmament programme—but these events belong to another chapter of history which must be reserved for treatment in a later volume.

The only other important developments which took place in connexion with the Western European negotiations before the end of the year were the public reaffirmation of the British guarantee to France and Belgium and a corresponding affirmation by the French Government that they accepted the reciprocity of the guarantee as between France and Great Britain.

During the last quarter of 1936 the British Government were strongly criticized in certain quarters at home on the ground that they were calling upon the country to make great sacrifices in order to build up British armed strength without explaining for what purposes this armed strength would be used. The response to these criticisms was a series of statements on foreign policy which made it clear that the Government considered themselves bound by precise and definite obligations in Western Europe, and had every intention of honouring them if the occasion should arise, but which did not give a definite answer to the question of what their attitude would be in the event of trouble in Eastern Europe.[1]

At a meeting of his constituents at Leamington on the 20th November[2] Mr. Eden defined as follows the purposes for which British arms might be used.

> These arms will never be used in a war of aggression. They will never be used for a purpose inconsistent with the Covenant of the League or

[1] In the early weeks of 1937 the Parliamentary Opposition made repeated attempts to extract from the Government a precise definition of their attitude on the 'indivisibility of peace'. One of the clearest statements on the subject was that which was made by Lord Halifax in the House of Lords on the 3rd March, 1937:

'Anxiety about the possibility of Eastern entanglement is constantly before the Government. . . . Unless you are prepared to say "I will fight in every case on behalf of peace, which is one and indivisible", or "I will only fight when I am myself the victim of attack" there is an inevitable No Man's Land of uncertainty lying between these two positions which is incapable of antecedent definition. Therefore, if we are unable to define beforehand what might be our attitude to a hypothetical complication in Central or Eastern Europe, that is not to say that we disinterest ourselves in the fate of these parts of Europe. The Government have repeatedly maintained their determination to carry out to the best of their ability their obligations under the Covenant, and if these obligations are not capable of definition with precise exactitude that is a feature, and not an incidental feature, of the Covenant itself.'

[2] The text of this speech is printed in *Documents on International Affairs, 1936*, pp. 260–3.

the Pact of Paris. They may, and if the occasion arose they would, be used in our own defence and in the defence of the territories of the British Commonwealth of Nations. They may, and if the occasion arose they would, be used in the defence of France and Belgium against unprovoked aggression in accordance with our existing obligations. They may, and if a new Western European settlement can be reached, they would, be used in the defence of Germany were she the victim of unprovoked aggression by any of the other signatories of such a settlement.

These, together with our Treaty of Alliance with 'Irāq and our projected treaty with Egypt, are our definite obligations. In addition our armaments may be used in bringing help to a victim of aggression in any case where, in our judgment, it would be proper under the provisions of the Covenant to do so. I use the word 'may' deliberately, since in such an instance there is no automatic obligation to take military action. It is, moreover, right that this should be so, for nations cannot be expected to incur automatic military obligations save for areas where their vital interests are concerned.

This passage in Mr. Eden's speech was interpreted in Rome and Berlin as a proof that the British Government considered that there need be no connexion between a new Western Pact and the situation in Eastern Europe, but this interpretation was not borne out by another speech which the British Foreign Secretary delivered at Bradford on the 14th December.[1]

If [he said] I were to say that Britain's interests in peace are geographically limited, I should be giving a false impression. If our vital interests are situated in certain clearly definable areas, our interest in peace is world-wide, and there is a simple reason for this. The world has now become so small—and every day, with the march of science, it becomes smaller—that a spark in some sphere comparatively remote from our own interests may become a conflagration sweeping a continent or a hemisphere. We must, therefore, be watchful at all times and in all places. We cannot disinterest ourselves from this or that part of the world in a vague hope that happenings in that area will not affect us. We must neither mislead others nor be misled ourselves by any of those comfortable doctrines that we can live secure in a Western European glass-house.

[1] It was also hardly consistent with the terms of a *communiqué* which had been issued in London on the 11th November, at the close of a three-days' visit from Colonel Beck, the Polish Foreign Minister. This *communiqué* announced that 'opportunity was taken to consider certain points connected with the proposed Western Treaty in regard to which Poland has an interest; and it was recognized that means would require to be found to respect Poland's legitimate interests in this matter'. In the comment on Colonel Beck's visit in both the Polish and the Czechoslovak press it was assumed that he had received assurances that Great Britain would not be forgetful of the interests of Eastern Europe in negotiating a new Locarno. (For Colonel Beck's visit to London, see also the present volume, section (iii) of this part, p. 401.) For

Mr. Eden's speech at Leamington on the 20th November was received with strong approval in Paris; and in Brussels, too, the definite statement that British arms would be used in the defence of France and Belgium was warmly welcomed. Belgian and French satisfaction with British policy was increased when Mr. Eden reaffirmed the validity of the British guarantee of Belgium at a luncheon in honour of Monsieur van Zeeland on the 27th November, and when he declared in the House of Commons on the 2nd December, in answer to a parliamentary question, that, in respect of engagements to assist France and Belgium, it was 'the intention of His Majesty's Government that the scope of their obligations in the new treaty should approximate as closely as possible to those in the Treaty of Locarno'.

These explicit renewals of the British guarantee to France and Belgium elicited a prompt response from France. At the end of November Monsieur Delbos let it be known that he would shortly announce the French Government's decision to assume reciprocal obligations of assistance towards Great Britain, and he made a formal statement[1] to this effect in the Chamber on the 4th December.

> I declare [he said] in the name of the Government that all the forces of France, on land, on sea, and in the air, would be spontaneously and immediately used for the defence of Great Britain in a case of unprovoked aggression.

Monsieur Delbos went on to give the same guarantee to Belgium, though he mentioned at the same time the still unsolved difference of opinion regarding the position of Belgium in a 'new Locarno'.[2]

> I do not forget [he said] that conceptions somewhat different from ours concerning a future Locarno have been manifested [in Belgium]. But these differences are far from being insurmountable, and our common good will secure an arrangement in the best interests of both our countries. Until then France and Belgium are agreed that the Pact of Locarno and the agreement of the 19th March retain their full value.

In the hope of averting or removing misconceptions in Germany, Mr. Eden referred to this Franco-British exchange of guarantees in the following terms in his speech at Bradford on the 14th December.

> It has been suggested in certain quarters that this declaration [by Monsieur Delbos on the 4th December] and my statement at Leamington on the 20th November that, if the occasion arose, our arms would be

the text of Mr. Eden's speech at Bradford, see *Documents on International Affairs, 1936*, pp. 263–7.

[1] The text will be found in *Documents on International Affairs, 1936*, pp. 274–82.

[2] See pp. 359–60, above.

used in defence of France and Belgium in the case of unprovoked aggression, in accordance with our existing obligations, represent some new departure or imply some alliance, or that declarations of this kind were incorrect in the course of a negotiation involving other Powers. This, however, is not so. My statement was but a repetition of the undertaking His Majesty's Government gave to France and Belgium after the denunciation by Germany of the Treaty of Locarno last March; and, so far as the French Government's declaration is concerned, it reaffirms the undertaking given in the proposals which were agreed to in London on the 19th March last, in order to deal with the situation created by Germany's repudiation of the Treaty of Locarno and of the Rhineland demilitarized zone.

Thus neither Monsieur Delbos's statement nor mine represents any new departure, nor do they conceal any hidden intention to form any exclusive alliance, nor do they suggest a policy of blocs. Let me emphasize once again: it is not in our minds, nor, I am convinced, is it in the minds of the French Government, to seek to come to any exclusive arrangement. Far from it; we desire, and should cordially welcome, the co-operation of Germany not only in a Western agreement, but in European affairs generally. This country has made that clear many times in these post-war years, not only by words but by deeds. So far are we from wishing to encircle Germany that we seek for her co-operation with other nations in the economic and financial, as well as in the political, sphere. We want neither blocs nor barriers in Europe, nor, we are convinced, were there freedom of thought, of speech, of trade across the frontiers, would there be any.

Mr. Eden's friendly gesture to Germany did not elicit any response in the shape of a reply to the last British note on the subject of a Five-Power Conference, and when the year 1936 closed the prospects for an early meeting of such a Conference could not be said to be favourable.

(ii) Relations between Germany and the Soviet Union since Herr Hitler's Advent to Power

The classical school of Prussian statesmanship, as represented in the eighteenth century by Frederick the Great and in the nineteenth century by Bismarck, had firmly held—and consistently acted on the conviction—that Russia's friendship was the key to Prussia's prosperity. This traditional axiom of Prussian statecraft had been vindicated—and this by a demonstration which was not the less cogent for being negative—within the span of little more than a quarter of a century which had begun with the Emperor William II's dismissal of Bismarck in 1890 and had ended in the débâcle of the short-lived Second German Reich in 1918. Thereafter the Weimar Republic had reverted to the classical tradition of the preceding

régimes when, on the 16th April, 1922, at Rapallo, it concluded a treaty with the Soviet Union that wiped off all old scores and cleared the ground for a re-establishment of the normal Russo-German *entente*. This good understanding between Germany and Russia, which was perhaps the most signal achievement of the Weimar régime in the field of international affairs, was destined, however, to last no longer than the Weimar régime itself. Herr Hitler would have none of it; and the immediate deterioration in Russo-German relations which was one of the sequels to his advent to power in Berlin on the 30th January, 1933, has been described in a previous volume in this series.[1] While Herr Hitler vilified the Hohenzollerns only less vehemently than the Hapsburgs, and expressed particular contempt for the policy of the last reigning sovereign of the House, he took over the one plank of the Emperor William's platform that had been incontrovertibly proved unsound by catastrophic events through which Herr Hitler himself had lived.

What possessed the founder and leader of 'the Third Reich' to adopt an attitude towards Russia which was not only discountenanced by old German tradition, but was also discredited by recent German experience? It is possible to discern several motives for the anti-Russian war of words which Herr Hitler waged with an accent that went on rising till in 1936 it seemed to have reached the highest attainable pitch in the gamut of political oratory.

This Hitlerian hostility towards the great Communist Power abroad was called for, in the first place, by the need for some show of consistency in the policy of a ruler of Germany whose title to rule was largely founded on his claim to have crushed Communism at home. It was called for in the second place by the need, which Herr Hitler felt in common with other dictators, of perpetually contending with dragons as well as invariably slaying the dragon of the hour. So long as the Nazi Party had been in the wilderness, the still unslaughtered German Communist Party had served Herr Hitler's turn in the rôle of the monster from whom the maiden was being rescued by the exertions of the knight-errant. But the crushing of the German Communist Party had been one of the inevitable and immediate sequels to the Nazi conquest of the Reich.[2] And, having thus destroyed his original *raison d'être* in the act of seizing power, Herr Hitler had to look quickly for a substitute. Now that he was heavily in the saddle, how was the Führer to persuade his flagging subjects to reconcile themselves to bearing the grievous burden of carrying a

[1] In the *Survey for 1933*, pp. 174–83.
[2] See *op. cit.*, pp. 144–6.

rider whose little finger was thicker than his predecessors' loins? It was urgently necessary for him to convince his German public that the Communist menace from which he had just triumphantly delivered them at home was after all nothing by comparison with the Communist menace that still cast its shadow upon Germany from the vast spaces beyond her eastern frontiers. And the new dragon which Herr Hitler imperiously required was conveniently provided for him by the existence of the Soviet Union. Finally, the substitution of the Soviet Union for the German Communist Party as the menacing monster whom Herr Hitler was heroically holding at bay promised to redound to the advantage of the Nazi régime abroad as well as at home. For the Soviet Union was not just Herr Hitler's private bugbear. The German Führer's emotional attitude towards Moscow—an attitude in which fear was compounded with hatred, and hatred with hysteria—was shared by this humble Central European working-man with wide circles of conservative-minded and well-to-do and politically influential people in the West-European countries and in the Overseas World; and, in waging his anti-Communist campaign as the saviour not merely of Germany but of the Western World as a whole, Herr Hitler might hope to win a foreign as well as a German following. As an antidote to international Communism, German National Socialism might commend itself to Western eyes in which it would have found no favour in any other aspect. And the point might even be stretched far enough to win toleration for German rearmament, since the very voices that would be the first to raise a cry of alarm at the resurgence of the sinister 'Boche' or 'Hun' would also be the readiest to subside under the magic of a Hitlerian assurance that these new German weapons would never be used as an instrument of any other German national policy than that of defending Europe against a Russian 'Red Peril'.

On this showing, Herr Hitler's anti-Russian war of words was so admirable and so obvious a line of Nazi propaganda that the student of history is bound to ask himself whether it was ever anything much more serious than this either in Hitler's mind or in Stalin's.

In the analysis of a soul of Herr Hitler's totalitarianly artistic temperament, this question might perhaps be unanswerable; for the Führer lived his part with a completeness which left little room for those troublesome distinctions between myth and fact or between hypocrisy and sincerity which are the bane of the man of thought, in painful contrast to the man of feeling and action. For Herr Hitler the mesh of propaganda was, in all probability, the very substance of reality; but this would not necessarily mean that, come what might,

the Hitlerian attitude towards the Soviet Union would always continue to govern German foreign policy; for the Führer was by no means the only political force in 'the Third Reich'. There were other, circumambient, forces which might catch his ear and even force his hand. One of them was the Reichswehr and another was the business community. Under the Nazi régime the business community had not lost all its power, while the Reichswehr had regained the status of which it had been temporarily deprived by 'the Versailles *Diktat*'. Both these two forces in the life of 'the Third Reich' were content to keep in the background so long as they could make themselves fllt on issues which they regarded as important. The question of Germany's relations with Russia was one on which they were believed to hold strong and definite views; and these views were believed to coincide in favouring a return to the classical Prussian policy of winning and keeping Russia's friendship, in preference to a fatalistic acquiescence in that Wagnerian duel between a titanic Nazi Germany and a titanic Communist Russia for the mastery of the Old World which was the artistically inevitable sequel to the war of words in which Herr Hitler had so vigorously engaged his Russian counterparts. At the time of writing it was impossible to foresee whether the thunder-cloud which Herr Hitler's demonic genius had conjured up over Eastern Europe would duly discharge itself, or whether the first act of a tragedy would abruptly give place to the transformation scene of a pantomime, presenting the idyllic tableau of an embattled German and an embattled Russian Youth suddenly laying their weapons aside in order to collaborate in the peaceful economic exploitation of the vast Eurasian Continent.

While the German foreign policy that would eventually issue out of Herr Hitler's oratory was thus still obscure, there was no doubt about the effects which his flow of words had produced upon both the foreign and the domestic policy of the Soviet Government in the course of the four years running from the 30th January, 1933. At the time of writing, in the spring of 1937, it could already be seen that these effects had been profound, and foreseen that they were likely to be lasting. The general effect was to propel the masters of the Soviet Union along the paths of respectability[1] and conservatism;

[1] The retreat towards respectability was accompanied by a fresh bout of political butchery, which is recorded on pp. 376–8, below. The successive batches of executions which were carried out in 1936 and 1937 at the order of the head of the Soviet Government were as mysterious as they were shocking; but in some cases, at least, the most likely explanation seemed to be that Stalin was finding it necessary to exterminate a section of the Bolshevik 'Old Guard' which was sincerely devoted to the principles of Lenin's revolution,

and while, on the precedent of the French and other revolutions, it might be conjectured that the heirs of the Russian Revolution would have fallen into these conventional paths sooner or later, even if Herr Hitler had still been in the wilderness, and Dr. Brüning still at the Reichskanzlei, in 1937, it was at any rate indisputable that the process had been immensely accelerated in this Russian case by the influence of Herr Hitler's campaign of insults and threats upon the minds of the statesmen at Moscow.

The principal stages and features in the transformation of Soviet policy during the years 1933–5 have already been recorded in previous volumes of this series. In 1933 the Soviet Union made its first bid for the friendship of the European ex-victors by proclaiming its conversion from the revisionist to the anti-revisionist faith;[1] and in the same year it sought, and gained, recognition from the United States.[2] The year 1934 saw the completion of the reversal of the outlook of the Soviet Union Communist Party; and this change of outlook was reflected, in the field of foreign policy, in the entry of the Soviet Union into the League of Nations.[3] The year 1935 saw the signature of the Russo-French and Russo-Czechoslovakian treaties of mutual assistance,[4] and the year 1936 the ratification of the Russo-French instrument.[5] Throughout the international crisis of 1935–6 over the Italo-Abyssinian conflict, the Soviet Union displayed itself in the rôle of a loyal and keen member of the League of Nations who was moved to the same feelings of disappointment and disapproval as were aroused in the minds of the peoples and Governments of the lesser states members by the pusillanimous and equivocal policy of France and Great Britain.[6]

Cumulatively, these developments amounted to a reconstruction of the Soviet Government's foreign policy which went down to the very foundations and altered at any rate the outward appearance of the structure almost beyond recognition; and there were changes

and which accordingly looked upon Stalin himself as a traitor whom it might have been their duty to remove by the summary methods that Stalin actually used against *them*, in order to rid himself, in time, of such formidable critics.

[1] See the *Survey for 1933*, p. 181.

[2] *Op. cit.*, pp. 530–44.

[3] See the *Survey for 1934*, pp. 354–404.

[4] See the *Survey for 1935*, vol. i, pp. 58–90.

[5] The vote in favour of ratification was carried in the French Chamber on the 27th February, 1936, and in the Senate on the 12th March, and the exchange of ratifications took place on the 27th March (see pp. 255–6, above). Ratifications of the Russo-Czechoslovakian treaty had already been exchanged on the 9th June, 1935 (see the *Survey for 1935*, vol. i, p. 82, footnote 3).

[6] For the part played by the Soviet Government in the Italo-Abyssinian affair, see the *Survey for 1935*, vol. ii, *passim*.

of corresponding magnitude on the home front which came to a head at the turn of the years 1936 and 1937. On the constructive side, the social and political life of the peoples of the Union was progressively recast—or given opportunity to reshape itself—on lines which diverged less and less widely from the bourgeois democratic way of life that was characteristic of the Western World. On the destructive side, the elimination of the Bolshevik 'Old Guard', which had begun on the morrow of Lenin's death in 1924, was ruthlessly carried to completion.[1]

The constructive social and political measures might be discounted, or even written off, by a sceptical foreign observer as 'Potemkin villages' built of nothing but paper and designed for no other purpose than to catch the eye and elicit the sympathy of a sentimental Western liberal-minded public whose countenance and support the Soviet Government now desired to secure as a help in facing the new menace from a Nazi Germany. At the time of writing it was indeed impossible to judge how far these measures were either sincerely meant or effectively coming into operation. But it was already beyond doubt that Monsieur Stalin and his associates were in earnest in exterminating the Bolshevik 'Old Guard'; for on this point the evidence of executions might be taken as conclusive. It was also clear that, in this final stage, the Stalinites' war against the Trotskyites—which had begun nine years before Herr Hitler's advent to power and at a time when his fortunes and fame had been at their lowest ebb—had become part and parcel of the Soviet Government's reaction to the Nazi Government's anti-Soviet campaign. For in the Moscow treason trial of the 23rd–30th January, 1937, the capital crime of which the Trotskyite prisoners were accused was that of conspiracy with the agents of 'the Third Reich' for the purpose of shearing off huge slices of the Soviet Union's territory for Germany's benefit besides substituting a Trotskyite for a Stalinite régime in the mutilated realm that was to be left in the hands of the Government at Moscow.

It may be convenient to touch upon these domestic developments within the bosom of the Soviet Union before tracing the relations between the Soviet Union and 'the Third Reich'; but the distinction between the two streams of events cannot be maintained rigidly or consistently in dealing with a period in which the internal life of the Union was overshadowed and influenced by the foreign menace to its security; and the last of those chapters of the story that are here

[1] The previous stages have been recorded in the *Survey for 1927*, pp. 250–6, and in the *Survey for 1934*, pp. 363–8.

recorded presents the spectacle of 'Old Guard' Bolshevik politicians and Nazi German technicians standing trial simultaneously in the Soviet Courts on almost identical charges.

In the social and political counter-revolution which was being carried out in the Union at this time under the Stalinite régime, one of the landmarks was the promulgation in May 1936 of a number of regulations which were all calculated to rehabilitate family life. A leaf was taken out of the book of Liberalism when abortion was made a criminal offence; another out of the book of Christianity when divorce was made more difficult; and a third out of the book of Fascism when premiums were offered to the parents of a numerous progeny. 'The New Family Life Code' in which these measures were combined was brought into force by a decree of the 27th June.

Meanwhile, a new Constitution of the familiar bourgeois democratic type was on the stocks; and on the 4th June, 1936, the Central Committee of the All-Union Communist Party decided that an extraordinary meeting of the All-Union Congress of Soviets ought to be convened to consider the draft. This draft text, which was published on the 12th, proved to contain all the Western constitutional paraphernalia: a bicameral parliament, the secret ballot,[1] universal suffrage, and freedom of person, domicile, speech, publication, meeting, belief and even property to some extent. The extraordinary meeting of the Soviet Congress, which was tantamount to a constituent assembly, duly opened on the 25th November and was greeted by Monsieur Stalin in a speech in which he described the new Constitution as 'an indictment of Fascism inspiring all civilized people fighting for democracy against Fascist barbarism'. With certain amendments, the new Constitution was adopted by the Congress, *nemine contradicente*, on the 5th December.[2]

The history of the elimination of the Bolshevik 'Old Guard' has been carried down, in a previous volume,[3] to the banishment of Zinoviev and Kamenev in December 1934 for their alleged share in the responsibility for the assassination of Monsieur Kirov. The exiles had

[1] The substitution of the secret ballot for open voting was extended to the proceedings of the All-Union Communist Party in March 1937, and later in the year to the organs of local government within the Soviet Union.

[2] A Western eye-witness at the session in which the amended text was recited to the Congress for its approval noticed that the articles which excited enthusiasm were those that made provision for social services, whereas the old-fashioned guarantees of civil liberties were received with either indifference or positive hostility (*The Daily Telegraph*, 17th December, 1936). So far from welcoming these liberties as a probable benefit for themselves, the delegates apparently looked askance at them as a possible cover for the class-enemy.

[3] The *Survey for 1934*, pp. 367–8.

owed their lives to an unwritten Party convention that Lenin's contemporaries were entitled to immunity from capital punishment; but this convention broke down in August 1936. On the 19th of that month the two fallen leaders were put on trial, with fourteen other prisoners, on a charge of having organized an underground terrorist counter-revolutionary conspiracy under Trotsky's auspices. During the trial, one of the prisoners, Tomsky, committed suicide in prison. The survivors were all sentenced to death by shooting on the 23rd, and the sentences were carried out on the 25th. This stroke was followed up by a bout of witch-hunting which duly resulted in the discovery of a number of Trotskyite 'nests'. The next blow fell on the 7th October, when it was announced that criminal proceedings —again on charges of complicity in a Trotskyite plot—had been instituted against Radek, Sokolnikov and others. No less than seventeen prisoners were eventually brought to trial on the 23rd January, 1937; and meanwhile the plot had thickened; for the prisoners were now accused of having conspired not merely with Trotsky but also with the Nazis, and this with the object of restoring a capitalist régime in Russia—if possible, by the economical means of sabotage and assassination, but, if necessary, with the aid of a German and Japanese invasion. Though all the prisoners pleaded guilty to this preposterous-sounding indictment, only thirteen were condemned to death when the Court pronounced judgment on the 29th, while both Radek and Sokolnikov were let off with terms of ten years' imprisonment and two others with eight years'. On the 31st the Presidium of the Central Executive Committee of the Union announced its refusal to commute the death sentences; and these were duly carried out on the 1st February. On the 3rd March, 1937, Stalin made a speech (which was published on the 28th of the same month) to the Central Committee of the All-Union Communist Party in which he denounced Trotsky and all his works. And on the 5th March the Central Committee expelled from the Party Bukharin and Rykov. On the 4th April, 1937, the Ogpu arrested their own former chief Yagoda, the successor of the notorious Dzerzhinsky. Yagoda had been deprived of his post after the trials and executions of the preceding August, but had afterwards been awarded the Commissarship for Communications as a consolation prize. On the 6th April, 1937, the latter post—which carried with it the command over a special army of railway and frontier troops—was conferred upon an officer of the Red Army. And at the time of writing it looked as though the heritage of the Bolshevik 'Old Guard', who had now been almost completely wiped out, would not be monopolized by the new

bureaucracy but would be divided—in proportions that could not yet be forecast—between Stalin and his placemen and Voroshilov and his captains.[1] It will be seen that the shift in the internal balance of power which was taking place at this time in the Soviet Union was remarkably like the contemporary shift that could be observed in 'the Third Reich'.

In passing to the relations between the Union and the Reich during the period under review it may be convenient to examine political and economic relations separately and to consider the political relations first, with a view to estimating how far the economic relations may have been affected by them.

In a previous volume[2] the history of the Nazi-Bolshevik war of words has been carried down to the end of the year 1933. On the Russian side, the chant of *tu quoque* was sustained by Monsieur Stalin in a speech, delivered on the 26th January, 1934, at the Communist Party Congress in Moscow, in which the Transcaucasian political boss arraigned the Baltic publicist Herr Rosenberg for preaching the doctrine of the racial superiority of Teutons over Slavs. In a speech delivered at the National-Socialist Labour Front Congress in Berlin on the 16th May, 1934, Herr Hitler held up the Soviet Union to ridicule as an economic parasite that was living upon the work of technicians and machines imported from the Capitalist World. This taunt touched the authors of the Five-Years' Plan on a sensitive spot, and Herr Hitler's speech drew a diplomatic protest from the Soviet Government.

The Russian counter-offensive was resumed on the 28th January, 1935, in a report presented on that date by Monsieur Molotov, the President of the All-Union Council of People's Commissars, to the Seventh All-Union Congress of Soviets. Monsieur Molotov declared to his audience that

> It is impossible to close our eyes to the changes that have taken place in Soviet-German relations with the coming to power of National Socialism. As for ourselves, we can say that we have not had, and do not have, any other wish than to continue further good relations with Germany also. It is well known to all that the Soviet Union is filled with a deep desire for the development of relations with all states, not excluding even states with Fascist régimes. In the path of Soviet-German

[1] The summary execution of eight officers holding high commands in the Red Army on the 12th June, 1937, put a new—though not a less sinister or less mysterious—complexion upon Stalin's policy. This event, which occurred after the present chapter was written, but before it was revised for the press, will be dealt with in the *Survey for 1937* in its contemporary international setting.

[2] The *Survey for 1933*, pp. 176–7.

relations, however, serious difficulties have arisen during the past period.

He went on to quote a telling Rosenbergian passage from *Mein Kampf*, and asked for clarification on the question whether it was still part of Herr Hitler's policy to look for expansion by means of military conquest in an eastward direction.[1]

These verbal salvos seemed to be dying down in the earlier months of 1936; but they rose to the pitch of drum-fire before that year was over.

At the Hoesch iron-works at Dortmund on the 2nd February, 1936, Herr Rosenberg poured scorn upon the Soviet Union in general, and upon Stakhanovitism in particular, in a speech to the workmen; but 'military circles' in 'the Third Reich' now made haste to preach common-sense and peace. A noteworthy article entitled 'Krieger gegen Krieg', from the pen of a retired officer, General von Metzsch, appeared in the *Berliner Tageblatt* on the 18th February; and General Blomberg spoke in the same accents in his official speech on the 8th March, which was being kept in Germany as a Heldengedenktag. Herr Hitler himself, in his speech of the 7th March, 1936, announcing the military reoccupation of the Rhineland, drew a significant distinction between Russia and Communism. 'If', he said, 'my international opponents reproach me to-day [because] I have refused co-operation with Russia, I make them the following declaration: I do not and did not reject co-operation with Russia but with Bolshevism, which lays claim to a world rulership.' These disarming gestures on the German side did not evoke any immediate Russian response in the same vein. In an article celebrating the eighteenth anniversary of the creation of the Red Army, *Pravda* declared on the 23rd February that the Soviet Union was ready to fight Germany and Japan simultaneously; and in an interview given in Moscow to an American journalist at the beginning of March Monsieur Stalin answered a query from his interlocutor as to how Germany would be able to strike at the Soviet Union, supposing that she cherished aggressive designs, by predicting that she would 'borrow a frontier' from some third state, as in 1914 she had borrowed the Belgian frontier in order to invade France. This Stalinian picture of an unscrupulous German aggressiveness was disavowed in the semi-official *Diplomatisch-Politische Korrespondenz* of Berlin on the 7th March.

The German military reoccupation of the Rhineland on the 7th March might have been expected to stimulate the Russians to make

[1] For the Rosenbergian policy and the Russian reaction to it, see the *Survey for 1933*, pp. 177–9.

further gestures of mistrust and hostility; but, so far from that, a more conciliatory tone towards Germany distinguished an interview, given by Monsieur Molotov to a representative of *Le Temps* on the 23rd March, in which the Soviet Union's respective relations with her several neighbours were one of the topics discussed. Thereafter, in his May Day speech of this year, Herr Hitler made a truculent declaration of pacific intentions, and he was echoed by Dr. Goebbels in a speech delivered at Potsdam on the 21st June, in which the National-Socialist Propaganda Minister asserted that the Nazis had 'no need for adventures in foreign policy in order to consolidate' their 'position *vis-à-vis* their own people'; that the German people and its Government wanted peace because they had a profound need of it (though it must be a peace that left them their honour and their life); and that, if they had discarded the League of Nations and had preferred to rely upon their own national armaments, their policy had been justified by the fate of Abyssinia. The theme was re-enunciated by the Führer himself on the 3rd July at a Nazi Party rally at Weimar:

> Providence has enabled us to secure our people not only work, but, above all, peace. I believe that to-day the only prayer that we can address to this Providence is to grant our people the same peace for the future. But before the word Peace we must always place the word Honour, and the peace we speak of must always include the conception of freedom. We are convinced that without this honour and without this freedom there can be no peace. Our people know that, and the world must also recognize it. I believe that this clear statement (*Klarheit*) is best fitted to destroy false conceptions, false hopes, or false theories and thereby to serve the cause of truth.

On the 1st August, at a Liberal Summer School which was being held in Oxford, the thesis that the principle of peace was the fundamental principle of Soviet foreign policy likewise was expounded by the Soviet Ambassador at the Court of St. James's, Monsieur Maisky. In the course of August, however, the din of Russo-German controversy grew louder again under the impact of the repercussions of the civil war in Spain.

The announcement at Moscow, on the 11th August,[1] of new measures for increasing the strength of the Soviet troops with the colours was ill received in the German press. Again, the development of the Russian submarine flotilla in the Baltic was the subject of hostile comment in the *Berliner Tageblatt* of the 22nd August; and in the *Frankfurter Zeitung* of the 23rd the Soviet system of non-

[1] See pp. 146–7, above.

aggression and mutual assistance was treated almost as though it were a sinister spider's web of offensive alliances. Sensational pictures of Russian massed tanks, under the caption 'Rote Panzertruppen Angriffsbereit', were published in the *Völkische Beobachter* of the 25th August. A counter-bombardment was opened in the Moscow press on the 28th; and on the 4th September this was taken up and answered on the German side. This was the atmosphere on the eve of the rally at Nuremberg of the National-Socialist Party of the Reich—an annual function which in 1936 was held on the 8th–14th September inclusive.

This year the denunciation of the Communist ideology and of its embodiment in the Soviet Union was the rally's *Leitmotiv*; and the familiar identification of Communism with Jewry and of Jewry with Moscow and of all three with the powers of darkness was reasserted with unflagging vehemence in speeches from the mouths of Herren Hess and Goebbels and Hitler. Addressing representatives of the Labour Front on the 12th September, Herr Hitler told them that the Bolsheviks had made nothing of their wide territories and vast resources, whereas the Nazis could work wonders with these riches if they were the happy possessors of them.

> If we had at our disposal the incalculable wealth and stores of raw material of the Ural Mountains and the unending fertile plains of the Ukraine, to be exploited under National-Socialist leadership, then we would produce, and our German people would swim in plenty.

In a speech delivered on the same day, at a parade of 60,000 Hitler Youth, he drew a picture of an 'hour of danger' in which his audience would have to stand up against a Soviet Russian assault. In a couple of speeches on the 13th he boasted of the blind obedience which he would be able to command from the German people in a struggle with Bolshevism, and he accepted, for his countrymen as well as for himself, the imputation of being fanatics. In these Hitlerian invectives of the 12th and 13th September the Führer's voice was rising in such a sharp crescendo that he was thought to be leading up to some sensational finale; but, instead, his closing speech on the 14th turned out to be an anticlimax; and this failure of artistry was so surprising in so great a rhetorician that in some quarters it was attributed to the intervention of the military authorities, who were believed not to fancy the formidable rôle which the Reichskanzler had been so eagerly thrusting upon the German Army. This conjecture was supported by the apparently well-vouched-for fact that the passage from Herr Hitler's speech of the 12th September to the Labour Front which has been quoted above was toned down in a

version which appeared in the German press.[1] Moreover, on the 28th September, when upwards of 20,000,000 people had been mobilized in public places all over Germany to listen to a broadcast of the Labour Front speech from a gramophone record, the programme was suddenly changed at the last moment and the listeners-in were treated to a record of the speech of the 14th September instead.

Meanwhile, the inevitable counterblast had been fired off on the Russian side. On the 17th September, while Herr Hitler was celebrating the glorious resurrection of the German Army in a speech to the Fifth Army Corps, to which he was presenting colours at Giebelstadt near Würzburg, and while Dr. Schacht on the same day was expounding the theme of Sir Norman Angell's *The Great Illusion* to an International Foundry Congress at Düsseldorf, Marshal Voroshilov—addressing units of the Red Army during manœuvres in the Ukraine, at Kiev—delivered a speech which read as though the People's Commissar for Defence had been industriously taking notes, for his own use, of the uncensored texts of the speeches which the Führer and Reichskanzler had been delivering during the past week.

> I can assure you that the Soviet Ukraine will remain an impregnable outpost of our great Socialist Fatherland. The Soviet Union, particularly the Soviet Ukraine, has very many enemies. These enemies are

[1] e.g., in the *Völkische Beobachter* of the 14th September, 1936, the passage quoted above, from *The Daily Telegraph*, in the form in which it was actually delivered, was recast as follows:

> If the Urals with their incalculable wealth of raw materials, the rich forests of Siberia and the unending corn-fields of the Ukraine *lay in Germany* under National-Socialist leadership the country would swim in plenty. We would produce, and every single German would have enough to live on.

Manifestly Dr. Goebbels had feared that, in its authentic form, the passage would be interpreted, in Moscow and elsewhere, as an avowal of an intention to transfer the ownership of these great and rich territories from the Soviet Union to 'the Third Reich' by force of arms; and at first sight this is the obvious interpretation of the speech—at least for any reader who is acquainted with *Mein Kampf*. At the same time, a perusal of the speech as a whole suggests that the less offensive version of the delicate passage, which was afterwards invented by Dr. Goebbels or his assistants, is a not inaccurate rendering of what Herr Hitler *meant*, as distinct from what he said; for the solution which he proposed at the end of the speech was not conquest but *autarkeia*.

> Some one may tell me that we have a shortage of cotton. In four years, my comrades, every factory will be running. We shall have our own German textiles (loud applause). Some one may tell me that we cannot buy enough rubber. Watch! the factories will spring up out of the ground, and one day we shall drive about on tyres of our German rubber (more applause). Some one else may ask where I am going to get benzine from if I am going to encourage motoring in Germany. We shall get our benzine out of our own ground, we shall produce it from our own coal.

preparing to try once more to reduce our flourishing Socialist country to ruins and to make its workers once more slaves under the yoke, as they were nineteen years ago. Our enemies are miscalculating. . . . We are ready for war, comrades. I can assure the workers of the Ukraine that our Red Army will be fully able to meet the enemy wherever he prefers or whenever he turns his crazy attacks against Soviet territory. We have one firm intention: that, if the enemy attacks the Soviet Ukraine, Soviet White Russia, or any other part of the Soviet Union, we shall not only not admit him into the confines of our Fatherland, but we shall beat him in the territory from which he comes. . . . He should be beaten in such a way that, having learned his lesson from us once for all, he would abandon his wild dreams about turning the workers and collective farmers of our great land into slaves. We should prove good teachers, we Bolshevist tutors, and should teach those gentlemen in such a way that they will forbid their grandchildren to attack Soviet territory.

Marshal Voroshilov's echo of Herr Hitler was loyally re-echoed by Herr Hess in a speech delivered at Wiesbaden on the 10th October, in which he lauded the military reoccupation of the Rhineland as a safeguard against a Bolshevik attack.

The German Army is stationed again on this river, and it is a stronger guard than ever before. Behind it stands a people which was never so united. Bolshevism can give up hope of ever making of Germany what it has made of Spain. The German people is to-day the best in the world. If the Bolsheviks think that they can introduce their reign of terror they must be told that the whole of Germany would be a single Alcázar that would fight and conquer.

The Alcázar also provided the text for a disquisition on the same subject at a reception given in Berlin, on the 15th October, by the Foreign Policy Department of the German National-Socialist Party. The impregnability of 'the Third Reich' against any Bolshevik attack was again Herr Hitler's theme at Munich, on the 8th November, at a celebration of the anniversary of the abortive *Putsch* of 1923.

On the 10th November the German press published the news of a new wave of arrests in the Soviet Union—the victims this time being foreign residents—and on the 12th it was announced in Berlin that the German Ambassador in Moscow had protested on behalf of five German subjects who were among the prisoners. The number of German prisoners eventually rose to more than twenty, but the German Government's representations had no effect; and at a treason trial at Novosibirsk a German engineer named Stickling was one of nine prisoners (the other eight being Soviet citizens) who were sentenced to death on the 21st November. Six of the condemned Soviet citizens were duly shot; but on the 25th November the death-sentences of the other two Soviet citizens and Herr Stickling were commuted to sentences of imprisonment for terms of ten years.

The phobias which had discharged themselves in these drastic measures against foreign residents in the Union, as well as in the campaign against the Bolshevik 'Old Guard',[1] were afterwards justified in some degree by the signature in Berlin, on the 25th November, 1936, by the Japanese Ambassador to Germany and by the German Ambassador at the Court of St. James's, of the following German-Japanese 'Agreement against the Third International':[2]

> The Government of the German Reich and the Imperial Japanese Government, recognizing that the aim of the Communist International, known as the Comintern, is to disintegrate and subdue existing states by all the means at its command; convinced that the toleration of interference by the Communist International in the internal affairs of the nations not only endangers their internal peace and social well-being, but is also a menace to the peace of the world; desirous of co-operating in the defence against Communist subversive activities; have agreed as follows:
>
> *Article I*
>
> The High Contracting States agree to inform one another of the activities of the Communist International, to consult with one another on the necessary preventive measures, and to carry these through in close collaboration.
>
> *Article II*
>
> The High Contracting Parties will jointly invite third states whose internal peace is threatened by the subversive activities of the Communist International to adopt defensive measures in the spirit of this agreement or to take part in the present agreement.
>
> *Article III*
>
> The German as well as the Japanese text of the present agreement is to be deemed the original text. It comes into force on the day of signature and shall remain in force for a period of five years. Before the expiry of this period the High Contracting Parties will come to an understanding over the further method of their co-operation.

At the same place on the same date the two Ambassadors also signed, on behalf of their respective Governments, a supplementary protocol providing for ways and means—including the setting up of a permanent committee—for putting the main agreement into practical effect.

This Japanese-German agreement of the 25th November, 1936, was in consonance with the ideological affinity between a militarist Japan and a Nazi Germany,[3] as well as with their common attitude of

[1] See pp. 376–8, above.

[2] This agreement is also dealt with in Part VII, section (vi), in its bearing upon Far Eastern affairs.

[3] For this affinity and its limitations see Part VII, pp. 925–6, 936–7, below. There was, however, one point of serious ideological disagreement between the

militant and perhaps potentially aggressive hostility towards the Soviet Union; and in the earlier months of the year a crop of rumours of a Japanese-German *rapprochement* on these anti-Russian lines had foreshadowed the eventual transaction in Berlin in the autumn. The rumour that a secret treaty had been concluded between Germany and Japan had been officially contradicted first at Tokyo and afterwards at Berlin in the course of January; but the tale had been in circulation again in Moscow in February and in London in April; and on the 19th May a Japanese sword had been presented to Herr Hitler by members of a Japanese guild of swordsmiths 'as a symbol of the Japanese spirit and in the hope that German-Japanese friendship' might 'be deepened' by the gift. Thereafter, when the rumour had been on the point of being substantiated by the act of the 25th November, the Japanese Foreign Minister had informed the Soviet Ambassador at Tokyo (as was announced in Moscow on the 17th) that the Japanese Government and 'a third party' had recently been discussing ways and means of combating Communism, but that these discussions had no bearing, direct or indirect, upon the relations between Japan and the Soviet Union.

The apologetic note that made itself heard in this first Japanese intimation of what was on foot continued to be sounded—loudly in Japan and audibly in Germany—during the week which elapsed before the signing of the instrument as well as after the cat was out of the bag. At Tokyo, on the 18th November, it was once more denied that a military alliance was any part of the German-Japanese arrangement which was now admittedly being negotiated. On the eve of signature, when the German and Japanese Foreign Ministers communicated the text of the new agreement to the British Ambassadors in their respective capitals, the German Foreign Minister stated that there was no kind of alliance, military or other, and the Japanese Foreign Minister that there was no secret treaty.[1] In Tokyo again, on the 26th, after the publication of the texts of the agreement

Japanese and the Nazis, and that was the Nazi dogma of the superiority of a hypothetical 'Aryan' race. By an ironical freak of fortune, three of the nations towards whom 'the Third Reich' was drawn by a community of political interests—namely, the Japanese, the Magyars and the Finns—were speakers of 'non-Aryan' [i.e. non-Indo-European] languages; and the Nazi authorities at Berlin did their best to get over this stumbling-block by dubbing these three friendly nations 'honorary Aryans' as a patent of racial ennoblement. All the same, a speech about the destiny of the White Race to bear rule over the rest, which was delivered by Herr Hitler at Munich on the 26th January, 1936, drew a protest on the 29th from the Foreign Office spokesman at Tokyo.

[1] Statement by Mr. Eden on the 30th November, 1936, in the House of Commons at Westminster in answer to a parliamentary question.

and the supplementary protocol, it was publicly denied that there was any secret annex. Thereafter the hostility with which this German-Japanese transaction was received, even at its face value, in the world at large produced an upheaval in the domestic political life of Japan. This Japanese internal crisis is dealt with in another part of this volume.[1] In the present context it may be convenient to survey briefly the repercussions in Europe.

In Germany, as in Japan, the news was broken to the public gradually and cautiously in the course of the week preceding the date of signature; and even the *Völkische Beobachter* gave the apologetic headline 'Ein Akt der Notwehr' to its leading article of the 26th November on the accomplished fact. German opinion was perhaps particularly disturbed at the bad reception of the agreement in England and in China—at the English displeasure because of its possible untoward effects on Germany's political position in Europe, and at the Chinese displeasure because of its possible untoward effects on Germany's trade in the far East.

The first question that was asked in Europe, outside the frontiers of the Reich, was whether Italy had already become, or was shortly to become, a party to the German-Japanese agreement. The agreement expressly provided for the adhesion of other Governments; and the first Government to avail themselves of this invitation might be expected to be the Italian, who had recently linked themselves with one of the two signatories of the new Berlin Pact in the Berchtesgaden Pact of the 24th October.[2] Moreover, in a speech delivered at Milan on the 1st November, Signor Mussolini had spoken of Communism—and, by implication, of the Soviet Union—in accents of hostility which he had never used since his recognition of the Soviet Government in 1924.[3] The German-Japanese agreement was indeed duly applauded in the Italian press. On the other hand, the Italian Government maintained a careful reserve on the question of their own intentions, and pointedly avoided giving any colour to the suggestion that an Italian adhesion was under consideration.[4]

A similar attitude was maintained by the Government of Austria —a country which, as an associate of Italy, might have been sus-

[1] Part VII, section (vi). [2] See pp. 581–2, below.

[3] See the *Survey for 1924*, Part I C, section (iii) and p. 365, above.

[4] Addressing the extraordinary meeting of the Congress of Soviets in Moscow (see p. 376, above), on the 28th November, 1936, Monsieur Litvinov declared, however, that 'we have exact information that Italy, anxious to follow at all costs in the footsteps of her new mentor [Germany], has proposed to Japan that she should conclude an agreement with her similar to the published part of the Japanese-German agreement.'

pected, for the same reasons as Italy herself, of an inclination to gravitate towards the anti-Communist bloc—and by the Polish Government, who might have been suspected of the same inclination on account of their good understanding with 'the Third Reich'. On the 26th November the Polish Embassy in London stated that the reports that Poland had been approached on the question of her adhering to the agreement were untrue.

The agreement was received with open misgivings in European countries which were already afraid that they might be the victims of aggressive designs on the part of either Germany or Japan, on the calculation that these designs might be brought nearer to realization now that the two Powers suspected of entertaining them were openly making common cause. In Czechoslovakia and in the Baltic countries there was some concern over the possibility that the Soviet Union's ability to come to their assistance in the event of a German attack might be diminished if Japan were to make a concerted move on the Soviet Union's opposite flank; and in the Netherlands there was a fresh access of anxiety over the security of Netherlands India.[1]

These Dutch and Czech and Baltic reactions were only to be expected. On the other hand, the German as well as the Japanese Government appear to have been disconcerted by the reactions in Great Britain and France, where the agreement was castigated, not only in the press of the Left, but also in the organs of that moderate Conservative opinion which the Nazi propagandists had set their hearts upon converting to their own thesis that 'the Third Reich' was a heaven-sent champion of Western Civilization against the Communist peril from the East. The self-appointed champion doubtless hoped to win the indulgence of his Western Conservative patrons for his project of reaping a personal and tangible reward from his public-spirited 'ideological' labours; but a pungent leading article which appeared in *The Times* on the 18th November made it clear that, in these moderate Conservative quarters in Western Europe, the conclusion of the German-Japanese anti-Communist pact was likely to have exactly the opposite effect to that which had presumably been intended and expected by the German artificers of this diplomatic instrument.

On the already bad relations between Germany and the Soviet

[1] There were rumours of a secret German-Japanese understanding for a partition of Oceania and Indonesia, in which Germany was to be compensated at the expense of the Netherlands for the retention by Japan of Germany's former insular possessions in the Pacific north of the Equator.

Union the new German-Japanese agreement had, inevitably, the worst possible effect.

On the 19th November the Soviet Government informed the Japanese Government that they regarded their reassuring communication of the 17th[1] as unsatisfactory. And the extraordinary session of the Congress of Soviets which happened to be meeting at this juncture to review the draft for a new All-Union Constitution[2] provided a timely platform for the public denunciation of the new league between the Union's two principal foreign adversaries. The Congress actually opened in Moscow on the very day—the 25th November, 1936—on which the German-Japanese agreement was being signed in Berlin; and, after Monsieur Stalin's brief thrust at Fascism in his inaugural speech of that date,[3] the ground was clear on the 26th for the Prime Minister of the Ukraine, Monsieur Lubchenko, to devote all his powers of speech and voice to the vituperation of Germany and Japan in a style which even the past masters of Nazi oratory must have envied.

> A pig [the Ukrainian Prime Minister shouted] cannot see the sky, and Adolf Hitler shall not see our garden the Ukraine.

The same evening, the delegates of the Don, Kuban and Terek Cossacks, once more clad in the Cossack uniforms of the *ancien régime*, proclaimed to their civilian comrades the Cossacks' devotion to the U.S.S.R. On the 27th it was the turn of the Army and the Law. On the 28th Monsieur Litvinov declared that the security of the U.S.S.R. depended, not on paper documents or on political combinations, but on the strength of the Union itself. On the 29th the Vice-Chief of the Red Air Force, General Khripin, gave the Congress sensational figures of the recent increase in the strength of the Red Air Force.[4]

In his speech of the 28th November Monsieur Litvinov also dealt explicitly with the German-Japanese agreement of the 25th, and this in the following terms:

> Well-informed people refuse to believe that in order to draw up the two short-tailed articles which have been published of the German-Japanese agreement, it was necessary to carry on negotiations throughout fifteen months, that these negotiations should necessarily have been entrusted to a Japanese general and a German super-diplomat, and that they should have been conducted amidst the greatest secrecy, and kept secret even from German and Japanese official diplomacy. It is not surprising that there are assumptions that the German-Japanese agreement is written in a special code in which anti-Communism means something entirely different from what is written in the dictionary and

[1] See p. 385, above.
[2] See p. 376, above.
[3] See p. 376, above.
[4] See p. 157, above.

that people decipher this code in different ways . . . As for the Japanese-German agreement which has been published, it really has no meaning whatsoever, for the simple reason that it is only a cover for another agreement which was simultaneously discussed and initialled, and probably also signed, and which was not published and is not intended for publication. I declare with a full sense of responsibility that it was precisely to the working out of this secret document, in which the word Communism is not even mentioned, that were devoted the fifteen months of negotiations between the Japanese military attaché and the German super-diplomat.

It will be seen that by the close of the year 1936 Russo-German political relations were as bad as they well could be without a rupture of diplomatic relations; and, while the temper of both parties was so uncertain, and their party-discipline so rigid, that it was impossible to be sure that their common mood might not change, in the twinkling of an eye, from this hot-house hate to a hot-house love, it was possible to discern certain definite—and perhaps less easily reversible—economic developments which might appear to reflect the influence of politics upon economics in the current chapter of this Russo-German story.

The economic consequences of the hostility of 'the Third Reich' towards the Soviet Union might, indeed, seem at first sight to stand out with an almost sensational clarity from the following table of the fluctuations in Russo-German trade during the years 1931 to 1935 inclusive:

	1931	*1932*	*1933*	*1934*	*1935*
			(*Rm. Millions*)		
German exports to U.S.S.R. . .	762·7	625·8	282·2	63·3	39·3
German imports from U.S.S.R. . .	303·5	270·9	194·1	209·7	215·0[1]

Yet the remarkable contrast between the figures for 1931–2 and those for 1933–5 was not in itself conclusive evidence that Russo-German trade was being adversely affected by Herr Hitler's war of words against the Soviet Union; for the volume of German exports to the Union during the two years immediately preceding Herr Hitler's advent to power in Berlin had been far above the normal level.[2] 'The exceptionally high export figures of 1931 and 1932 were due to

[1] E. C. D. Rawlins, Commercial Counsellor to H.B.M. Embassy in Berlin: *Economic Conditions in Germany to March 1936* (London, 1936, H.M. Stationery Office), p. 167.

[2] This comes out in a table, covering the years 1928–33 inclusive, which will be found in *Die deutsche Zahlungsbilanz der Jahre 1924–33* (Berlin, 1934, Reimar Hobbing), p. 29.

special credits granted on U.S.S.R. trade and to large deliveries on long term contracts of all kinds of machinery, machine tools and iron goods. The subsequent steady flow of Soviet exports to Germany was of course partly due to the repayment of these credits.'[1]

More light, though this again not unquestionably political light, on the economic relations between Germany and Russia was to be found in the changes in the relative volume of Germany's Russian trade as compared with the Russian trade of other countries. In 1934, for example, Great Britain captured from Germany the position, which Germany had held for many years past, of being Russia's largest source of foreign supply; and the steep fall in German exports to Russia, as between this and the previous year, might be an indication that, as the Russians came nearer to paying off in goods and in gold the credits that they had received from Germany before the 30th January, 1933, they were being moved by political considerations to look for alternative sources of supply for the imports which they required. In 1935, for example, Great Britain was ahead of Germany once again in the volume of exports to Russia; and this year she also captured from Germany the first place as a foreign market for Russian commodities.

In 1934 there were signs that on the economic plane the character of Russo-German relations was the inverse of what it was on the political plane. At a time when politically Germany was on the offensive and the Soviet Union on the defensive, the Germans were wooing the Russians for economic favours and were meeting with rebuffs. In March they were offering to prolong the term of a considerable portion of their existing credits in exchange for Russian undertakings to place new orders in Germany; but these negotiations appear to have come to nothing, and subsequent attempts likewise ended in failure in July and again in September and yet again in November. At last, on the 9th April, 1935, a trade agreement was reached under which a German credit of Rm. 200,000,000 was given to the Soviet Government for covering additional Russian orders in Germany over and above the ordinary Russian purchases of German goods. From the German point of view, however, the results of this agreement were at first disappointing, since up to the 20th November, 1935, the Russians had placed additional orders in Germany of a value of not more than Rm. 80,000,000 out of the total credit of Rm. 200,000,000 that was at their disposal; but the volume of Russian orders rose towards the end of the year;[2] in January 1936 the exhaustion of the existing German credit was within close enough

[1] Rawlins, *op. cit.*, p. 168.

[2] Rawlins, *op. cit., loc. cit.*

sight to call for the opening of negotiations for a fresh credit; and after chequered negotiations a new agreement was signed on the 29th April, 1936. Even after this it was not all plain sailing; and in October 1936 Rm. 32,600,000 of the Rm. 200,000,000 credit of the 9th April, 1935, was still unused. Nevertheless, the year 1936, which saw the war of words between the Reich and the Union rise to an unprecedented degree of fury, was also a year in which Russo-German trade revived. For in this year Germany advanced from the third place to the second among the Soviet Union's foreign sources of supply—importing into the Union half as much again in value as Great Britain, and only a fraction less than the United States. In absolute figures, again, these German imports into Russia in 1936 were more than three times as great in value as the German imports in 1935; and although, on the other side, the Russian exports to Germany in 1936 amounted to not more than two-thirds of the value of the Russian exports to Germany in the preceding year, even so the total Russo-German turnover was substantially higher in 1936 than it had been in 1935.

This contrast between the economic and the political aspect of Russo-German relations in 1936 was no bad omen for the prospects of peace and goodwill in the international arena; for the possibility of an expansion of Russo-German trade on the grand scale was a potential safety valve for averting an international explosion.

At this time of peculiar stress and strain in the political relations between Germany and the Soviet Union, these two great countries were also, as it happened, peculiarly well placed for doing a thriving trade with one another. Germany—notwithstanding the economic strait waistcoat into which she had deliberately put herself in pursuit of her two momentary objectives of rearmament and *autarkeia*—had a deep and in the long run almost certainly irrepressible need to secure some great foreign market for her manufactures and field of activity for her technicians; and this field and market—which could never be won for Germany by a Rosenbergian policy of military conquest[1]—were within her reach in a Soviet Union whose territories stretched across the Eurasian Continent from the Niemen to the Amur

[1] The most that Herr Hitler could hope for, even from a completely successful execution of 'the Rosenberg Plan', would be to pare off a slice of Soviet territory on the western fringes of the Union; and even if this were to embrace the Urals as well as the Ukraine, it would only amount to a tithe of the Union's total territory and total resources. War was not a key which could open for Germany any gate that would give her access to the vast interior of the Russian earthly paradise. War could only place Germany in possession of the out-works—and even these would be devastated in the process of being conquered.

if only the Government of 'the Third Reich' would lay all military ambitions aside and would set their hearts, instead, upon economic co-operation with a Soviet Government who were bent upon developing the latent material resources of this huge and rich and virgin quarter of the Old World in the twentieth century as the resources of North America had been developed in the nineteenth century by the joint enterprise of North American pioneers and British technicians and industrialists. German skill and industry might do for Eurasia in the new age what British skill and energy had done for the United States and Canada in the preceding period; and the precedent was encouraging; for the nineteenth-century economic collaboration between the British and American peoples, which in its day had served so well the two great oecumenical human interests of prosperity and peace, had been carried through in spite of recurrent political quarrels which, at their worst moments, were little less acrimonious than the Russo-German quarrel was in 1936.

In the history of Anglo-American relations in the nineteenth century, peace had prevailed because the common task of developing a virgin continent by bringing into fruitful combination the complementary assets which the two partner-peoples had to contribute was an absorbing activity which imperiously demanded a peaceful state of politics and at the same time produced the necessary conditions for this by effectively creating a peaceful state of mind. At the turn of the years 1936 and 1937 it seemed not beyond the bounds of possibility that, sooner or later, Russo-German relations might take this auspicious Anglo-American turn; and, if the Soviet Union and 'the Third Reich' ever did come together in that spirit and for that purpose, their neighbours would have no reason to fear that the composing of a Russo-German quarrel which had been one of the most formidable dangers to the peace of the World would bring with it the different and yet more formidable danger of a Russo-German partnership for the purpose of joint military aggression. If the overflowing energies of Russian and German youth could be harnessed side by side to the constructive enterprise of co-operating in the intensive economic development of a still virgin quarter of the Old World, this might effectively divert them from those pernicious dreams of extensive military conquest which had obsessed the rulers of both empires under the *ancien régime*; and then the whole face of the international landscape might be transformed, overnight, from a warlike to a peaceful aspect.

(iii) Poland's Inclination towards Detachment

In the European part of the international arena, in the year 1936, one of the conspicuous movements was Poland's inclination towards a detachment which appeared to lean as far in the direction of neutrality as Poland could go without denouncing her alliance with France and her obligations under the Covenant of the League of Nations.

This policy was commended to Polish hearts and heads by two considerations which worked together in their practical effect though in themselves they were not only distinct but were perhaps even mutually contradictory. Polish hearts were still being moved in 1936—as they had been in 1933 at the time of the negotiation of the Four-Power Pact[1]—by an ambition to see Poland play the part of a Great Power herself instead of serving as some other Power's satellite. At the same time, Polish heads were now being influenced more than ever by a fear of seeing Poland crushed between a resurgent Germany and a resurgent Russia like a ship between two icebergs or a nut between the two arms of a pair of nut-crackers. The former consideration suggested that it was beneath Poland's dignity, and the latter that it might be beyond her strength, to rest content with that relation with France which Poland had accepted virtually since the time of the Peace Conference of Paris and contractually since the conclusion of the Franco-Polish treaty of the 19th February, 1921,[2] and the first result of these Polish second thoughts had been the negotiation of the Polono-German Non-Aggression Pact of the 26th January, 1934.[3]

This new departure in Polish foreign policy had not been regarded on the Polish side as being either at variance with the existing Franco-Polish treaty or incompatible with the friendship which that treaty had first expressed and then promoted.[4] Yet the German-Polish *détente* had been observed in France with alarm and resentment; and one of the immediate effects had been a marked fall in the temperature of the traditional Franco-Polish friendship. This political

[1] See the *Survey for 1933*, pp. 218–19.
[2] See the *Survey for 1920–3*, pp. 272–3, 503–4.
[3] See the *Survey for 1933*, pp. 183–6; the *Survey for 1934*, pp. 341 *seqq.*
[4] The continued validity of the Franco-Polish treaty of the 19th February, 1921, had, indeed, been expressly affirmed in the following clause of the German-Polish Non-Aggression Pact of the 26th January, 1934:
'Both Governments affirm that the international obligations hitherto undertaken by them, with regard to others, do not in any way hinder the peaceful development of their mutual relations, are not in opposition to the present agreement, and are therefore not invalidated by it.'

and psychological change, however, had not been accompanied by any overt breach and *à fortiori* not by any weakening of the juridical validity of the mutual obligations into which Poland and France had entered in the treaty of 1921. Polish statesmanship had been careful not to close the existing door between Poland and France in opening a new door between Poland and Germany; for, in seeking to extricate themselves from a relation with France which they now felt to be disagreeably unequal and dangerously exclusive, the Poles had had no intention of allowing themselves simply to fall instead into a corresponding relation with a Germany who might later show herself far less friendly to Poland, as well as far more her superior in strength, than France would ever be. The new Polish policy was to maintain Poland's position as a Great Power by oscillating between the other Powers of Europe in response to the successive changes in the balance between the non-Polish forces, and at the same time doing what she could to avert two developments which would both be inimical to Polish interests: on the one hand a schism of Europe into two mutually hostile camps, and on the other hand a differentiation between Western Europe and the rest of Europe in the matter of the organization of collective security. At the beginning of the year 1934, when a Nazi régime in Germany which was then barely twelve months old had proclaimed, but had hardly yet begun to achieve, its ambition to restore Germany to a military and political position corresponding to her material and human resources, the Poles felt it already prudent to unbend towards Germany, and at the same time still safe to turn a cold shoulder towards France. Two years later, however, the state of the balance of power was already very different. By the beginning of 1936 Germany's rearmament was already far advanced; and thereafter the success of the Rhineland *coup* of the 7th March proved that Germany had recovered her liberty of action, while conversely the prestige of France was lowered by the more and more evident failure of the West-European Powers, acting through the League of Nations, to prevent Italy from carrying through to a triumphant conclusion her war of aggression in Africa. Meanwhile, nearer home, the Nazi tide was rapidly rising in the Free City of Danzig.[1] In these circumstances the Polish Government felt it timely to incline again in the opposite direction; and the principal feature of Polish policy in this year was therefore a deliberate *rechauffée* of the latterly perhaps no less deliberately neglected Polono-French entente. At the

[1] These turbid waters frothed over in Herr Greiser's outburst at Geneva on the 4th July, 1936 (see pp. 548 *seqq.*, below).

same time the Poles took steps to draw attention to the coincidence between the interests and policy of Poland and those of certain other European countries which were showing signs at this time of likewise turning neutral-minded. In the course of the year the Polish Minister for Foreign Affairs paid visits of courtesy to Brussels and to London; some steps of a more practical kind were taken for putting fresh life into the Polish-Rumanian treaty of the 26th March, 1926;[1] and there was even talk of Poland taking the initiative in organizing, in the no-man's-land between Germany and Russia, a vast bloc, extending from Scandinavia at one end to Turkey at the other, of countries which might co-operate for the maintenance of peace by combining to insulate the potential belligerents on either side of them.[2]

To a West-European observer this last-mentioned Polish ambition might perhaps appear to be not only beyond Poland's strength but also hardly compatible with the local tendencies of Poland's policy; for in 1936 Poland's attitude towards Rumania, Hungary and Czechoslovakia was distinctly reminiscent of the attitudes of Germany and Italy and perceptibly inimical to the solidarity of the Little Entente and to the *rapprochement* between Czechoslovakia and Russia.

This general sketch of Poland's foreign policy in 1936 may serve as an introduction to the record of the international transactions in which this policy expressed itself.

The political reasons on the Polish side for the cooling-off of a new Polish-German friendship which had never been very warm were matched on the German side by a disappointment at the failure of the political agreement to bear economic fruit. In the German press a certain disillusionment over the meagreness of the results of the commercial agreement of November 1935[3] was being expressed before the end of January. In July the mixed committee for the application of the agreement decided to reduce the monthly contingent of Polish imports into Germany for August to sixty per cent. of the monthly figure which the agreement had prescribed, and the fraction was further reduced to twenty-five per cent. for September. Nevertheless, on the 18th July the two Governments arranged that the agreement of the previous November should provisionally remain in force after the expiry of its original term of twelve months.

The general unsatisfactoriness of German-Polish economic relations in 1936 was accentuated by a particular difficulty which arose

[1] See the *Survey for 1926*, pp. 154, 483–5.
[2] See also pp. 479, 524–6, below.
[3] See the *Survey for 1935*, vol. i, pp. 205, 207, 208.

over the German railway-traffic across the Polish Corridor between the main body of the Reich and East Prussia. In the preceding volume[1] some account has been given of this dispute over the German transit traffic across the Corridor, which became acute at the end of January 1936, when the Polish Government notified the German Government that they could no longer accept the arrangement whereby the sums due to the Polish state railways on account of German transit dues were allowed to accumulate in the Reichsbank instead of being transferred to Poland. This arrangement was in accordance with the foreign exchange policy which the German Government were pursuing at the time, and rather than transfer the sum involved Germany submitted temporarily to a drastic curtailment of the traffic across the Corridor, which came into force on the 7th February. At the same time the German Government made it clear that they were anxious to come to an amicable settlement of the dispute, and this desire was no less clearly reciprocated in Warsaw. A visit to Warsaw on the part of the German Commissioner for Justice, Dr. Frank, had been arranged in January, and this visit duly took place on the 12th February with all apparent cordiality. On the 8th February it was suddenly announced that General Göring would shortly attend a hunting party in Poland, and his visit, which had obviously been arranged on the spur of the moment, followed on the 19th–23rd February. The General spent three of these days hunting in the Bialowieza Forest, with a day at each end left to spare for political discussions in Warsaw. Negotiations for a settlement of the transit dues dispute followed these official visits, and a temporary agreement for monthly German payments of foreign exchange to Poland for meeting current charges was arrived at in Warsaw on the 7th April. Another temporary arrangement—this time for saving Germany's pocket (and so guarding against a fresh accumulation of indebtedness) by concentrating all the transit traffic on two lines crossing the Corridor in the section where it was narrowest—was concluded on the 10th May to take effect on the 15th. And the question was finally regulated by two agreements which were both signed in Berlin on the 31st August. One of these provided for the continuance of the provisional monthly payments on current account which covered the costs of the transit service as reorganized. The second of the agreements of the 31st August liquidated the accumulated German debt to Poland on account of transit, which was still outstanding, partly by writing it off against German claims upon Polish nationals who had taken over German properties in Polish

[1] *Op. cit.*, pp. 208–9.

Upper Silesia,[1] and for the rest—that is, for about one-third of the whole amount—by Polish acceptance of German payments in kind.

While the irritation aroused on both sides by this affair may have played its part in a cooling-off of German-Polish friendship which was mainly due to Polish uneasiness at the scale, speed and drive of Germany's rearmament, the fact that such a dispute over such a question could be disposed of with so little friction bore a far more eloquent testimony to the reality of the German-Polish *détente* of the 26th January, 1934. A controversy over the Corridor might be regarded as an acid test of the state of German-Polish relations, considering the Germans' sensitiveness to their loss, and the Poles' sensitiveness over their possession, of the sovereign rights in this territory. When it is further borne in mind that the *rapprochement* of January 1934 had been an act of high policy in which the Governments had taken the initiative against the grain of popular sentiment on both sides, it must be reckoned as a remarkable joint diplomatic achievement of the two Governments that the transit dispute of 1936 was settled without any overt recrudescence of the former animosity between the two nations.

Not only German-Polish but also Franco-Polish relations in 1936 opened inauspiciously with a conflict over an economic issue. On the 29th May a Polish court of first instance at Warsaw ruled that the concession agreement of the 11th January, 1902, between the municipality of Warsaw and the French-owned Warsaw City Electricity Supply Company (*Compagnie d'Électricité de Varsovie*) was now void, and that the company's property, which had been under sequestration since December 1934, now vested in the municipality without the company being entitled to any compensation. This Polish raid on French pockets does not seem to have appreciably detracted from French satisfaction at the spectacle of Polish policy veering round once more into a Francophil course before the close of the same year. Between Poland and France, as between Poland and Germany, a series of personal visits on the part of public men was the process by which the revival of cordiality between the two countries was both promoted and advertised.

These Franco-Polish amenities opened with a visit to Poland by the Inspector-General of the French Army and Chief of the French General Staff, General Gamelin, on the personal invitation of General Smigly-Rydz—the Inspector-General of the Polish Army who was at the same time practically the head of the Polish State in virtue of his having inherited the mantle of the late Marshal Pilsudski.

[1] See the *Survey for 1932*, Part IV, section (ii) (*b*).

General Gamelin reached Warsaw on the 12th August[1] and left the Polish capital again on the 16th. He was received with all honour; and the very fact that he had been invited was evidence of a new current in Polish policy. All the same he seems to have failed to elicit from his Polish fellow-soldiers any precise assurances of Polish military aid in the event of an outbreak of war between Czechoslovakia and Germany; and at the same time he appears to have found that the Franco-Czech Pact of the 1st December, 1925—which was the instrument that would involve France herself in coming to Czechoslovakia's help if the latter state were to be a victim of unprovoked aggression—was still looked askance at in Poland, and *à fortiori* the Franco-Russian Pact of the 2nd May, 1935. Thus, from the French standpoint at any rate, the immediate results of General Gamelin's visit to Poland were not entirely satisfactory. One of these results was, however, the delivery and acceptance of a French invitation to General Smigly-Rydz; and this Polish military return-visit carried the process of Franco-Polish reconciliation a considerable stage further.

The eminent Polish visitor arrived in Paris on the 30th August and re-entered Warsaw on the 10th September;[2] but though his stay in France was brief his hosts made the most of the occasion. General Smigly-Rydz was given a royal reception in his capacity as the supreme representative of his country; and he was not only introduced to the statesmen in Paris but was taken into the field and on to the frontier in order to be given at first hand a demonstration of the military strength of a France which had never ceased to be Poland's ally. On the 2nd September he was decorated with the Grand Cross of the Legion of Honour by the President of the Republic; next day he made a cordially Francophil speech at a luncheon given in his honour by the French Minister for War, Monsieur Daladier; and the ovation with which he was greeted by his own countrymen—both at the frontier and in Warsaw—upon his return home showed that the Polish nation not only appreciated the honour that had been done in France to the successor of Marshal Pilsudski, but also approved the response which General Smigly-Rydz had made to these French advances.

Nor were the results of General Smigly-Rydz's visit to France

[1] Both going and coming, the General took a circuitous route via Vienna which avoided German territory. On the other hand, *Le Temps*, in a leading article of the 14th August, 1936, was at pains to assure the Germans that the General's journey was not a move in any game of 'encirclement'.

[2] Like General Gamelin, General Smigly-Rydz avoided German territory both going and coming.

exclusively symbolic—important though these outward visible signs of a Franco-Polish reconciliation might be. On this occasion General Smigly-Rydz appears to have gratified General Gamelin's desire for technical conversations on the subject of the practical application of the military clauses of the existing Franco-Polish treaty; and at the same time new arrangements were made for helping Poland to equip herself for playing her covenanted part. It was arranged that Poland's rearmament should be fostered by French credits—partly to cover the delivery to Poland, in kind, of war materials of French manufacture, and partly to enable the Poles to set up armaments factories in their own country. Poland's need for foreign help in her rearmament from some Power from whom she could safely accept this service, and France's desire to win Poland back as a loyal and at the same time powerful ally, were the practical considerations that had brought the two countries together again.

The exchange of visits between Generals Gamelin and Smigly-Rydz which had produced this noteworthy result was followed up by a visit of the French Minister for Commerce and Industry, Monsieur Bastid, to Poland on the 11th–15th September, and by a visit of the Polish Minister for Foreign Affairs, Colonel Beck, to Paris (*en route* from the French Riviera to Warsaw) on the 14th–15th October. In the course of the latter month a Polish commercial mission likewise visited Paris and arranged for the establishment there of a Franco-Polish trade committee. In November the promotion of General Smigly-Rydz to the rank of Marshal gave an opportunity for the exchange of cordial greetings between Marshal Pilsudski's successor and Monsieur Blum.

In thus renewing their friendship with France, the Poles were careful to insist upon the strictly bilateral character of the new Franco-Polish understanding. Neither the Russians nor the Czechs were invited to take any part in General Smigly-Rydz's conversations with his French hosts; and, if the personal factor was to be taken as a touchstone of public policy, the contrast between the receptions given in Warsaw to General Göring and General Gamelin alike and the two unregarded transits of Monsieur Litvinov through the same city on the 31st March and the 14th October of the same year would seem to show that in 1936, while Franco-Polish relations were becoming once more cordial, and while German-Polish relations were not ceasing to be correct, the temperature of Russo-Polish relations was still as low as was compatible with not being subnormal.

The Poles' dislike for the Russo-Czech entente likewise showed itself in the year 1936 in the maintenance of cordial relations between

Poland and Hungary; in the establishment of cordial relations between Poland and Jugoslavia; and in the renewal of cordial relations between Poland and Rumania as soon as the fall of Monsieur Titulescu on the 29th August had removed from his dominant position on the stage of Rumanian politics a statesman whose policy had been to maintain a united front between Rumania and Russia within the framework of the League of Nations, as well as between Rumania and Czechoslovakia in the regional pact of the Little Entente. The Polish Prime Minister paid a visit to Budapest on the 23rd–26th April, in the course of which four technical agreements were signed for facilitating intercourse between Poland and Hungary. On the 27th–28th May Colonel Beck visited Belgrade (nominally in order to return the visit which a former Jugoslav Foreign Minister, Monsieur Marinković, had paid to Warsaw as far back as December 1931) and was given a warm welcome. The relations between Poland and Jugoslavia had of recent years been normally friendly without being close or cordial, and since there were no special difficulties or differences outstanding between them the conversations which Colonel Beck had with Monsieur Stojadinović were in the nature of a *tour d'horizon*. They were believed to have discussed at some length the question of the reform of the League of Nations, which was expected to come up at Geneva in three weeks' time,[1] and to have found common ground in their mutual determination to oppose any suggestions for the revival of the project for a Four-Power Pact.[2] The new Rumanian Foreign Minister, Monsieur Antonescu, visited Warsaw on the 26th–28th September—a visit which was celebrated by the signature of agreements for cultural collaboration and was followed up, on the 10th December, by the arrival in Warsaw of the Chief of the Rumanian General Staff, General Samsonovici, to arrange for a resumption of 'close military collaboration' between the two countries. The Rumanian visitor left Warsaw on the 15th after having placed orders for armaments (particularly aeroplanes) of Polish manufacture for the Rumanian Army. Meanwhile, at the beginning of December, it had been announced that the Polish-Rumanian friendship was to be cemented by a visit of King Carol to Warsaw.[3] The politico-military *rapprochement*

[1] See the *Survey for 1935*, vol. ii, pp. 489 *seqq.*

[2] See the *Survey for 1933*, Part II, section (ii).

[3] It had been expected that this royal visit would take place early in the New Year, and that shortly afterwards Colonel Beck would go to Bucarest to return Monsieur Antonescu's visit, but the Polish Minister's visit to the Rumanian capital was arranged first, and took place on the 21st–24th April, 1937. Less than two months later, on the 7th June, President Moscicki of

between Rumania and Poland appeared to indicate that Rumania, under a new régime, was inclined to shift—or perhaps to make a show of shifting—the basis of her foreign policy from the Czecho-Russian ideal of collective security to the Polish ideal of co-operative insulation.[1]

Mention must also be made of visits which were paid by Colonel Beck to Brussels on the 1st–3rd March, 1936, and to London on the 8th–12th November.

The official object of the Polish Foreign Minister's visit to Brussels, which took place just before the German *coup* in the Rhineland, was the signature of a new Belgian-Polish commercial agreement; but, in the light of the change in the direction of Belgian foreign policy which was notified to the world later in the year,[2] it seems probable that the relative advantages of a posture of detachment and of participation in the collective system were included among the topics of discussion both on this occasion and during the return visit which the Belgian Prime Minister paid to Warsaw on the 26th–27th April. As for Colonel Beck's visit to London in November,[3] it may be conjectured that the Polish statesman's motives in taking this step to bring his country into closer relations with the insular West-European Power were first a wish to make sure that Poland's interests should not be forgotten in any new agreement that might be arrived at between the Locarno Powers, and, second, to underline Poland's consensus with Great Britain in her desire to prevent Europe from dividing once more into two rival and mutually hostile blocs.

Poland, accompanied by Colonel Beck, arrived in Bucarest for a two days' stay, and it was not until after this second Polish official visit that King Carol's journey to Poland was arranged. The Rumanian King and Crown Prince arrived in Warsaw on the 26th June, 1937, and left Poland for Rumania again on the 1st July.

[1] These Polish-Hungarian, Polish-Jugoslav and Polish-Rumanian amenities may be contrasted with the delay of nine months in the presentation (which eventually took place on the 28th February, 1936) of the letters of credence of a newly accredited Czechoslovak Minister at Warsaw, and with the trial of Polish citizens at Moravska Ostrava for offences against the Czechoslovak Republic (a trial which evoked a protest from the Polish Government in the autumn of 1936).

[2] See the present volume, Part III, section (i) (*j*).

[3] See also p. 368, footnote, above.

(iv) South-Eastern Europe

(a) Austria and Hungary between Italy and Germany (1935–6)

1. *The Problem of the 'Viability' of Austria*

Between the abortive Nazi *Putsch* in Austria which was launched on the 25th July, 1934, and the conclusion of the Austro-German agreement of the 11th July, 1936, the Austrian question did not occupy the most prominent place on the agenda of international affairs. During those two years the minds of the statesmen and the peoples of the world were successively preoccupied with the questions of the rearmament of Germany,[1] the Italo-Abyssinian conflict[2] and the German military reoccupation of the Rhineland;[3] and the last-mentioned of these three affairs was evidence in itself that, for the time being, the pressure of forces round Austria was not the principal focus of international tension. For, while it was rumoured that Herr Hitler, when he was presented by the imbroglio between Italy and the West-European Powers with an opportunity for making some sensational *coup*, was for a time in two minds between the enterprise which he actually carried out in the Rhineland and the alternative adventure of marching into Austria, he did in fact leave Austria alone and spent his golden opportunity upon the re-establishment of German military control over the demilitarized western marches of the Reich.[4] The inference would appear to be that, in Herr Hitler's estimation at the time, it was more urgent for Germany to retort to the ratification of the Franco-Russian pact by closing the door which had hitherto been kept open for the possibility of a French military reoccupation of the Rhineland than it was to incorporate Austria into the Reich. But this did not mean that Herr Hitler had renounced his intention of one day welding Austria on to the Reich

[1] See the *Survey for 1935*, vol. i, Part I, section (vi).
[2] See the *Survey for 1935*, vol. ii.
[3] See the present volume, section (i) of this part.
[4] The rumour that a march down the Danube was on Herr Hitler's agenda as an alternative to a march across the Rhine was obviously not easy either to prove or to disprove. The writer of this *Survey* had, however, some good evidence, which came to him on the eve of the 7th March, 1936, from a highly authoritative source, for believing the rumour to be without foundation. If it was indeed baseless, its currency can perhaps be accounted for by the fact that the German troops that eventually reoccupied the demilitarized zone in the Rhineland were previously concentrated, not in the neighbourhood of the Rhine, but in Bavaria in the neighbourhood of Austria. This strategic feint may well have given rise to an erroneous belief that an invasion of Austria had been contemplated—though, if that had really been in question, the troops would then presumably have been concentrated anywhere rather than on the Austrian frontier.

by an *Anschluss* or a *Gleichschaltung* or some combination of the two processes. Herr Hitler's choice—if he did indeed make the choice attributed to him in the spring of 1936—meant at most that he forbore on this occasion to pluck his Austrian fruit because he was confident that it would drop into his mouth sooner or later of its own accord. And it was indeed evident all the time that the Austrian question had been merely 'shelved' without having been solved.

Throughout this two years' interlude the question remained in essence what it had always been since the moment in the autumn of 1918 when the post-war Austrian Republic had been brought into an undesired and unhappy existence as a remnant-state of the disrupted Danubian Hapsburg Monarchy. From that time onwards 'the Austrian question' had been the problem of the 'viability' (Germanicé 'Lebensfähigheit') of Austria as a sovereign independent state within its post-war frontiers; and this problem had both an internal and an external aspect; for, in order to be able to live, Austria must manage to establish a certain measure of peace and harmony at home besides securing a certain measure of political and economic consideration from her neighbours.

During the two years now in question, Austria, as the peace settlement had left her, was being kept in being by two combinations of forces: on the foreign front by the maintenance of the three-Power group which had been brought into being by the conclusion of the Italo-Austro-Hungarian Pact of the 17th March, 1934,[1] and on the home front by the maintenance of the alliance between the Catholic Christian Social Party and the Fascist Heimwehr which had originally been negotiated by the Christian Social leader Dr. Dollfuss in May 1932, and which had been consolidated in September 1933 by the incorporation of the Heimwehr into the Vaterländische Front (the political movement which had been founded by Dr. Dollfuss).[2] Since the respective dates of their establishment these two combinations of forces which were the two buttresses of Austria's independence at this time had successfully withstood some searching tests. The Vaterländische Front had survived the tragic death of its first author in the *Putsch* of the 25th July, 1934;[3] the Italo-Austro-Hungarian group had survived the designation of Italy as an aggressor within the meaning of the Covenant, and the consequent imposition of sanctions against her, in the autumn of 1935.[4] Even, however,

[1] See the *Survey for 1934*, Part III C, section (ii).
[2] *Op. cit.*, pp. 429–31, 459.
[3] See *op. cit.*, Part III C, section (i) (*j*).
[4] See the *Survey for 1935*, vol. ii, pp. 87–90, 210, 214, 234, 426–7, 514 *n.*

if this pair of buttresses were to prove solid enough to stand the pressure upon them for some time to come, it was not yet certain whether this was a sufficient support to save so rickety a house from collapsing after all; and accordingly the statesmen, Austrian and foreign, who had made the 'viability' of Austria their concern did not cease to look for ways and means of reinforcing the existing buttresses with additional supports. These further endeavours to increase Austria's stamina extended, like their predecessors, over both the external and the internal field. In the former, explorations were made into the possibility of broadening the basis of the three-Power group by enlisting in support of it the Little Entente states on the one hand and the West-European Powers on the other. In the internal field there were simultaneous and parallel suggestions for lacing the milk-and-water patriotism of the unenthusiastic citizens of the post-war Austrian Republic with a tincture of some stimulating 'ideology'.

The efforts to multiply the external buttresses of Austria's independence were most active in the earlier months of 1935 during the brief heyday of the Stresa Front; but these efforts came to nothing. The abortive endeavours to give effect to one of the Stresa resolutions by promoting the conclusion of a Danubian Pact have been recorded in a previous volume.[1] In the westward direction these endeavours had been anticipated, during the interval between the Anglo-French London conversations of the 1st–3rd February, 1935, and the Italo-Franco-British Stresa Conference of the 11th–14th April of the same year, by a visit to London and Paris on the part of Dr. von Schuschnigg, who was Dr. Dollfuss's successor in the Chancellorship of the Austrian Republic as well as in the leadership of the Vaterländische Front and of the Christian Social Party which was one of its two constituents.

On these visits—which were apparently made on the Austrian Government's own initiative—Dr. von Schuschnigg was accompanied by his Minister for Foreign Affairs, Baron Berger-Waldenegg; and the two Austrian statesmen spent the 21st–24th February, 1935, in the French capital and the 24th–26th February in the English. Their visit to Paris must have been painful, since it was overshadowed by the strenuous precautions which the French authorities had to take in order to save their guests from becoming the target of hostile demonstrations by the French Socialists and Communists, who had not forgiven the Vaterländische Front régime for its forcible suppression of the Austrian Social Democrats twelve

[1] In the *Survey for 1935*, vol. i, Part I, section (vi) (*g*).

months back.[1] As for the two Austrian statesmen's subsequent stay in London, their satisfaction at seeing it described as 'a pleasant visit' in the headline of a leading article in *The Times* must have been tempered by the immediately following observation that 'the visit of the two Austrian Ministers to London has been entirely successful of its sort'.[2]

Dr. von Schuschnigg's intention seems to have been in general to enlist some French and British in addition to the existing Italian support for the independence of Austria under the Vaterländische Front régime, and in particular to ventilate the idea of a restoration of the Hapsburg Dynasty in Austria as an ultimate but not an imminent possibility. He appears to have found, however, that the French Government's first thought was to avoid the appearance of encouraging any Austrian aspirations that might give offence to the Little Entente, while the British Government's first thought was to avoid formal commitments anywhere on the European Continent to the east of Mr. Baldwin's 'frontier' on the Rhine. In consequence this Austrian attempt to obtain the countenance of the West-European Powers had little visible result; and its never very promising prospects faded out altogether when the collision between Italy and her fellow states members of the League of Nations over the Italian act of aggression against Abyssinia compelled Austria to make her choice between the two unpleasant alternatives of parting company with the Western Powers over an international issue of fundamental importance and forfeiting Italy's favour.

The raising of the Hapsburg question by Dr. von Schuschnigg in Paris and London in February 1935 was an acknowledgement of the truth that Austria could not be made 'viable' by mere external support, however widely the circle of her foreign patrons and well-wishers might be extended. The enlightened self-interest of the ex-victors in the war of 1914–18 was not enough in itself to keep this remnant-state alive. The post-war Austria could hardly hope to live unless she could succeed in making her citizens feel that she stood for something distinctive and unique which was bound up with the maintenance of her independence even within her shrunken post-war frontiers; and there were—or, at any rate, had been—several different 'ideologies' in competition for the prize of being officially adopted as 'the Austrian idea'. Austria might seek to justify her independent existence as a vehicle either of the Hapsburg Dynasty, or of the Catholic version of Christianity, or of the Social-Demo-

[1] See the *Survey for 1934*, Part III C, section (i) (*h*).
[2] *The Times*, 27th February, 1935.

cratic version of Marxism, or of the local version of Fascism which was represented by the Heimwehr.

Of these four alternative Austrian 'ideologies', the Heimwehr movement was the only one which purported to be Austrian not only distinctively but also exclusively. This claim, however, was disputed by the Heimwehr's opponents, who accused the movement of being organized and financed from Rome as an instrument of Italy's ascendancy over her Austrian client state. And whether the Heimwehr was in truth more genuinely or less genuinely Austrian than its rivals in the competition for the Austrian people's allegiance was a question which lost most of its practical interest when, in the period under review, the Heimwehr succumbed, as is recorded in the sequel, to the Catholic Christian Social Movement with which it had entered into an uneasy alliance in the Vaterländische Front under the successive auspices of Dr. Dollfuss and Dr. von Schuschnigg. The Christian Social Movement itself and the other two alternative 'ideologies' were each of them patently something more than an expression of 'Austrianism' unalloyed; for the title to rank as the Catholic country *par excellence* might be disputed with Austria by Poland or Spain or Ireland or Quebec; Social Democracy was not less oecumenical in principal than Catholicism itself; and a loyalty to the Hapsburgs was not less characteristic of the Magyar clericals and the German minority in Hungary[1] than it was of the Tirolese highlanders or the Viennese bourgeoisie. Of these three supra-Austrian forces in Austria's post-war life, the Social Democracy which had been in the ascendant in the cities of Austria during the post-war years, and had left an enduring mark upon the architecture of Greater Vienna, had been forcibly dethroned and repressed in February 1934 by the combined forces of the Heimwehr and the Christian Social Party,[2] before the Heimwehr was subjugated in its turn, as it was in 1936, by its late ally. On the other hand, there was no radical incompatibility between Christian Socialism and the Hapsburg cause, since the dynasty had largely stood for Catholicism in the past, while the Christian Social movement had never committed itself to republicanism in principle. When the Christian Social Party and the Heimwehr drifted apart while the Social Democrats and the Nazis remained unappeased, it became evident that the Christian Social leaders would be impelled to cast about for a new ally in order to fortify an ascendancy which, so long as it was solitary, was bound to remain precarious. Unaided, Dr. von

[1] See p. 508, below.

[2] See the *Survey for 1934*, Part III C, section (i) (*h*).

Schuschnigg and his friends could not expect to hold at bay the Social Democrats and the Heimwehr and the Nazis all at once—and particularly not the Nazis, who could count upon receiving potent aid from 'the Third Reich' in the long run, even though, for tactical reasons, Herr Hitler might temporarily be relaxing his pressure upon Austria on his Austrian henchmen's behalf. Christian Socialism and Hapsburg Legitimism might both come to the conclusion that joining forces offered the only chance for either of them to hold their own permanently against the Hitlerian 'ideology' of 'blood and soil' which was the deadly enemy of both; and this ideal of *Deutschtum*—which had already been represented in the Hapsburg dominions by the Styrian and Bohemian Pan-Germanism of the pre-war age—was another alternative 'Austrian idea' which was not merely not distinctive of Austria but was actually incompatible with the prolongation of her life as a separate entity. For if a majority of the citizens of the post-war Austrian Republic were to make up their minds that their *Deutschtum* was their most precious national trait, then the most obvious and most effective way of realizing this ideal would be to merge the parochial German state of Austria into an all-embracing German Reich, without being deterred by the consideration that the social climate of 'the Third Reich' would be adverse to Social Democracy and Catholicism and Legitimism alike.

Thus, during the period under review, the question whether the Christian Social régime in Austria should take the Hapsburg Dynasty into alliance in its struggle against National Socialism on both the internal and the external front came to present itself to Dr. von Schuschnigg more and more forcibly; but, for all the insistence of the Austrian Government upon their own sovereign rights, it was evident all along that the Hapsburg question was not one which Austria would be allowed to settle at her own sovereign pleasure. In the first place, she could not act without consulting Italy, and possibly also would not act without consulting Hungary as well;[1] and in the second place Hungary and Italy could not be expected to look at the problem solely, or even primarily, from the Austrian point of view, but would be influenced by calculations both of their own interests and of the repercussions in other countries. Hungary might not relish the idea of seeing the shadow of a Hapsburg, enthroned at Vienna, once

[1] At Budapest, in contrast to Rome, the consultation would be optional, since it was a cherished political doctrine of the Magyars that the form of their own state was exclusively their own affair, and they were bound to apply the same doctrine to Austria in order to vindicate it for themselves.

again being cast over Budapest.[1] And Signor Mussolini might hesitate—in the thick of his successive buccaneering adventures in Ethiopia and in Spain—to declare in favour of a Hapsburg restoration at the almost certain cost of throwing the Little Entente countries into Herr Hitler's arms by raising the one issue on which the successor states of the Hapsburg Monarchy saw eye to eye with the master of 'the Third Reich'. The Hapsburg question was indeed one of not merely Austrian but European and even oecumenical importance, and this fact had two consequences. On the one hand it handicapped any purely Austrian endeavours to bring the Hapsburgs back to Vienna, and on the other hand it raised an alarm from one end of Europe to the other whenever the question was mooted.

On the Austrian home front the Hapsburg question did not loom very large so long as Dr. von Schuschnigg was still ruling in partnership with Major Fey and Prince Starhemberg. Dr. von Schuschnigg himself, in a lecture delivered in the Hofburg on the 12th March, 1935, to a society entitled the Katholische Akademikergemeinschaft, asserted the *Lebensfähigkeit* of the post-war Austria in the political as well as in the academic field without hinting that a restoration of the Hapsburgs was indispensable; and in an article published in the *Popolo d'Italia* on the 30th of the same month Prince Starhemberg mentioned the possibility only to dismiss it as 'not yet ripe nor likely to become ripe in the immediate future'. In a speech delivered on the 21st June, 1935, Major Fey defined Austria's post-war mission as that of serving as a 'liaison and bridge between German culture and the other nations'. In an interview given a day or two later to the Vienna correspondent of the Budapest newspaper *Az Est*, Prince Starhemberg declared that—

> if it were to be unequivocally proven that the re-institution of the Monarchy and the restoration of the House of Hapsburg could make a decisive contribution to the development and well-being of Austria, and if this could be accomplished without conflicts in the international arena, then the Austrian Government would assuredly offer no opposition to such a solution.

On the 10th November, 1935, Dr. von Schuschnigg, addressing, at Linz, a general meeting of the Catholic Popular Union of Upper Austria, declared that Austria was the last surviving repository of the native spirit of the Western Civilization, which he described as a blend of Antiquity, Christianity and Germanism.

> Particularly characteristic of our culture is the principle that there is only one God and that this God cannot be identified with either state

[1] For the difference between the post-war Austrian and the post-war Hungarian attitude towards the Hapsburgs see further pp. 508–9, below.

or nation or race, but that He is our God—a God superior to all Space and all Time.

In a speech delivered at Vienna on the 11th December, 1935, Prince Starhemberg reasserted the substance of the formula concerning the Hapsburg question which he had pronounced in the preceding June.

The first two weeks of February 1936 witnessed a greater stir in Paris over the Austrian question—and particularly over the idea of a restoration of the Hapsburgs—than had been produced by Dr. von Schuschnigg's and Baron Berger-Waldenegg's visit in the third week of February 1935. At the turn of the calendar year there was some expectation that Herr Hitler might take advantage of Signor Mussolini's preoccupations in Africa to strike at Austria the stroke which he eventually directed towards the Rhine; and 'the captains and the kings' who were at that moment departing from London after having attended the funeral of King George V took advantage of their passage through Paris to discuss this international situation with one another and with the leading members of the French Government. King Carol of Rumania, Monsieur Titulescu, Monsieur Antonescu, Monsieur Litvinov, Prince Paul of Jugoslavia, King Boris of Bulgaria, Monsieur Aras, Monsieur de Kanya, and Prince Starhemberg were among the visitors who were present in Paris on this occasion simultaneously. Prince Starhemberg was known to be discussing the Hapsburg problem with the French statesmen—whose distaste for the idea of a Hapsburg restoration he shared, though his opposition was grounded on different considerations.[1] In the course of an interview with Monsieur Flandin on the 4th February, Prince Starhemberg was understood to have stated that the Austrian Government would be ready to admit, in agreements to be concluded with the Little Entente, that no change of régime should be made in any of the contracting states without previous agreement between the contracting parties. And he was also understood to have caused the purport of his conversations in Paris to be conveyed to the heir to the Hapsburg Crown, the Archduke Otto, who was living in Belgium, together with a personal suggestion from the Prince that the Archduke might usefully ease the international situation by some gesture of withdrawal such as a voyage round the world. At this point, however, Prince Starhemberg's diplomatic activities were rudely

[1] The French Government were mainly concerned to avoid making any concession that might give umbrage to the Little Entente, whereas Prince Starhemberg's imagination was captivated by a vision of an Austrian Fascist State into which the Hapsburg Dynasty could not easily be fitted.

interrupted by the unexpected arrival in Paris of the Archduke Otto himself on the morning of the 5th February. Prince Starhemberg hastily left Paris on the evening of the same day without having seen the uninvited and unwelcome new visitor; but before leaving he gave to the Paris correspondent of the Austrian *Amtliche Nachrichtenstelle* a *communiqué* which put a different face upon his interview with Monsieur Flandin from that which had been apparent to the press the night before.

> On my way back from London, during an unofficial visit to Paris, I was able to visit Monsieur Flandin, Minister for Foreign Affairs. In the course of an informal conversation we exchanged views, for purposes of mutual information, on various questions of European politics.
>
> I had an opportunity, during this conversation, of stating the views of the Austrian Government with regard to the actual problems of European politics, and, in particular, of making it quite clear that Austria reserves full liberty of action and decision in all questions of internal policy, including the Hapsburg question.
>
> Those who direct the policy of Austria consider that this freedom of decision is, moreover, in no way lessened by the fact that Austrian statesmen, fully conscious of their responsibilities towards Europe, do not intend to undertake anything which might disturb the European order. Assurances to this effect have been given at different times by the Austrian Government, particularly with regard to the problem of a Hapsburg restoration. I had nothing to add to these assurances.
>
> Nevertheless, during this conversation, I insisted that there could be no question of any renunciation by Austria in the matter of the eventual re-establishment of a monarchical régime. But I repeated, once again, the Austrian Government's declarations that they would take no decisive step of this kind without first approaching the European Powers.
>
> As to the possibility of an exchange of views between Austria and the Central European states, I expressed the conviction that such an exchange of views would not be really useful without the participation of Italy as the effective guarantor of Austria's integrity.

Before the close of the same day the Austrian Legation in Paris published an emphatic *démenti* of an alleged 'interview' with Prince Starhemberg which had appeared in a Parisian newspaper that afternoon and which reproduced the substance of that version of the Prince's private interview with Monsieur Flandin which had been current the day before.

The difference between the two versions of what had passed between Prince Starhemberg and Monsieur Flandin on the 4th was rumoured to have been due, not to the Archduke Otto's precipitate appearance on the scene, but to representations which had been received by the Prince, in the interval, from his colleagues in Vienna; and, if this was indeed the truth, it would indicate that, in the circles

round Dr. von Schuschnigg, the current of feeling in favour of a Hapsburg restoration was now running more strongly. This belief would account both for the irritation which the hum of the diplomatic conversations in Paris manifestly excited in German minds as it fell upon German ears, and it would equally well account for the anxiety which was displayed in Czechoslovakia. On the 8th February the Czechoslovakian Prime Minister, Dr. Hodža, left Prague for Paris; and while the official purpose of his journey was to take part in a celebration at the Sorbonne in honour of President Masaryk, he remained in Paris from the 9th February to the 14th and was assiduous in his political conversations there. Thereafter, on the 9th–10th March, Dr. Hodža paid a visit to Vienna, and in a *communiqué* published on the latter day it was announced that the long-protracted Czecho-Austrian trade negotiations were now 'ripe for conclusion' and that the existing Czecho-Austrian arbitration treaty was to be renewed when it lapsed in the coming May.

Rumours of the imminence of a Hapsburg restoration were current again from about the middle of June 1936 until the eve of the signature of the Austro-German agreement of the 11th July; and even that event did not put an end to them. In the first week of November 1936 it was rumoured that the leader of the Austrian Legitimists, Baron Wiesner, had been paying a secret visit to Rome, following a consultation with the Hungarian Legitimists at Budapest, and that he had discussed with Signor Mussolini the question of a Hapsburg restoration in connexion with a proposal for a royal marriage between the Archduke Otto and an Italian princess.[1] On the 9th November it was announced in Rome that no comment on these rumours was being made in Italian official circles, and next day this statement was officially interpreted as meaning that Italy regarded the Hapsburg question as being the domestic concern of Austria and Hungary. At Budapest on the 9th Baron Wiesner was reported to have declared that the project for a restoration in Austria, as well as in Hungary, had Signor Mussolini's sympathy; but at Vienna, on the same date, the same authority was also reported to have declared that the rumour concerning a project for a royal marriage was without foundation. On the 19th November the Austrian Legitimists held a meeting at Vienna, and the Hungarian Legitimists a banquet at Budapest, to celebrate the Archduke Otto's twenty-fourth birthday.

This was the state of the Hapsburg question towards the close of

[1] Baron Wiesner himself maintained that his visit to Rome was not clandestine, and he denied the rumour that he had taken part in a meeting of the Hungarian Legitimists.

the calendar year. It was summed up by Dr. von Schuschnigg when, in a public statement of the 17th October, 1936, he declared that in the Vaterländische Front there was room for both monarchists and anti-monarchists but not for people who slandered the past history of Austria and the dynasty—which, he declared, were indissolubly connected—or who accused the dynasty of being un-German in character or traitorous to the national cause. In this denunciation of the anti-Hapsburg plank of the Nazi platform, Dr. von Schuschnigg was probably giving accurate expression to what was the prevailing sentiment in Austria at the time.

2. *Internal Developments in Austria*

Introductory Note.

Some account must be given of the internal developments in Austria during the period under review because of the bearing of these domestic affairs upon that problem of the 'viability' of Austria which was the crux of her position on the post-war map of Europe. These internal developments consisted of two distinct, though closely associated, streams of events. On the one hand there were the relations between the victorious Vaterländische Front and its two defeated adversaries, the Austrian Social Democrats and the Austrian National Socialists. On the other hand there was a struggle for power among the parties and personalities represented on the Vaterländische Front—a struggle which ended in the triumph of the right wing of the Christian Social Party under the leadership of Dr. von Schuschnigg over the Heimwehr under the leadership of Prince Starhemberg, who succumbed to his Christian Social colleague after having tasted an illusory triumph over his own rival for the leadership of the Heimwehr, Major Fey. In the course of the period here under review, which runs from the morrow of the abortive Nazi *coup* of the 25th July, 1934, to the morrow of the Austro-German agreement of the 11th July, 1936, the conflict between the Vaterländische Front and the Social Democrats and National Socialists came to play a less prominent part on the Austrian domestic stage, while the conflict within the bosom of the Vaterländische Front came to a head; and these two contemporaneous developments were not unconnected; for the uneasy yokefellows who were plodding sullenly shoulder to shoulder in the Austrian governmental team could venture to try conclusions with one another as soon as they began to obtain relief from the common fear of common enemies which alone had drawn them together. The confirmation of the ascendancy of the Vaterländische Front as a whole over its discom-

fited adversaries of the Right and the Left was the prelude to the successive contests between Major Fey and Prince Starhemberg and between Prince Starhemberg and Dr. von Schuschnigg; and this series of contests, in turn, was the prelude to the Austro-German agreement of 1936; for this agreement was, in one respect, an acknowledgement on Herr Hitler's part that the Austrian Vaterländische Front had succeeded after all in consolidating itself; and the most potent factor in this consolidation was the concentration of power in a single pair of hands instead of its dispersion among several. This concentration was the fruit of Dr. von Schuschnigg's triumph. And the inclination of the scales in favour of the leader of the Austrian Christian Social Party in his trial of strength with the leader of the Heimwehr was perhaps partly accounted for by an extraneous factor. For if there was any truth in the allegation that Prince Starhemberg and his henchmen were dependent not merely politically but also to some extent financially upon Italian patronage, this would lend credibility to the further allegation that Prince Starhemberg failed to hold his own against Dr. von Schuschnigg because the financial strain of the Italo-Abyssinian War had compelled Signor Mussolini to cut off the supplies which the Duce had previously been remitting to his Norican client.[1]

In international terms the general effect of these Austrian internal developments during these two years was to strengthen the Austrian Government's hands in their dealings with Austria's neighbours, and in the same measure to fortify the structure of European peace at one of its weakest points.

The Maintenance of the Ascendency of the Vaterländische Front over the Social Democrats and the National Socialists.

At the turn of the years 1934 and 1935 it was by no means evident that the Vaterländische Front was strong enough, even if it succeeded in holding together, to maintain its ascendency over the two

[1] In 1936 it was undoubtedly becoming difficult for Italy to make transfers to either of her Danubian client states, as was shown by the accumulation of Italian trade debts to Austria and Hungary in blocked accounts of lire. If Italy was finding such difficulty at this time in financing her trade with Austria, it may well be believed that she was no longer in a position to pay the Heimwehr a subsidy which was economically altogether unremunerative. At the same time, it is probable that this subsidy, even at its maximum, was neither so generous as it was rumoured to be nor so considerable in itself as to be a decisive factor in the Heimwehr's fortunes. Such financial support as the Heimwehr did receive from Italy seems to have been largely indirect, e.g. the Heimwehr were reputed to have been presented with the profits of the reconditioning in the Hirtenberg Works, at the Austrian Government's expense, of old Austro-Hungarian rifles that had been given back by Italy.

rival forces in the Austrian political arena which it had successively defeated within the preceding twelve months. Two years later, however, both the Austrian Nazis and the Austrian Social Democrats were still prostrate, while their spasmodic struggles to reassert themselves had demonstrated, by their ineffectiveness, the severity of the blows which in 1934 had laid these two once formidable parties low.

The trials, still pending at the beginning of 1935, of Social Democrats and Nazis charged with treasonable offences in connexion with the civil disturbances of February and July 1934 were not finally disposed of until the close of the year.

The trial of twenty-one leaders of the Social Democratic Schutzbund opened at Vienna on the 2nd April and closed on the 18th with one acquittal and twenty sentences to terms of imprisonment ranging between eighteen years and twelve months. On the 20th and 21st November an appeal from ten of the prisoners was considered and rejected by the Supreme Court at Vienna. On the 25th, however, the Supreme Court reduced the two longest of the twenty sentences from eighteen to fourteen and from fifteen to twelve years respectively; and on the 16th December one appeal was allowed (the existing sentence being quashed and the prisoner sent for trial on a less serious charge). On the 23rd November, 1935, at Klagenfurt, another batch of sixteen prisoners was sentenced to shorter terms of imprisonment, ranging from four years to two months.

The trials of Nazis charged with complicity in the *Putsch* of July 1934 likewise continued during the following year.[1] On the 13th January, 1935, at Vienna, two brothers Ott—one a physician and the other a civil engineer—were sentenced respectively to sentences of penal servitude for life and ten years' hard labour. At the end of January 1935 a sentence of seven years' imprisonment was passed on one prisoner by a court martial at Leoben. At Vienna, on the 2nd February, after a three-days' trial, a lawyer, Dr. Blaschke, was sentenced by a court martial to imprisonment for life; and on the 14th February the same sentence was passed in the same place on a director of an engineering firm, Herr Hamburger. There were four more sentences, to terms of imprisonment ranging from eighteen to ten years, before the end of the same month. And on the 14th March Dr. Rintelen[2] was sentenced to imprisonment for life at the end of a trial which had begun on the 2nd. Four more sentences—

[1] This series of trials had begun immediately after the suppression of the *Putsch* (see the *Survey for 1934*, p. 483).

[2] See the *Survey for 1934*, pp. 429, 430*n.*, 450, 471 *and n.*, 473 *and n.*, 478*n.*, 482–3 *and n.*

two to imprisonment for life and the other two for respective terms of fifteen and twelve years—were passed by a court martial at Vienna on the 23rd March; one more to imprisonment for life on the 25th May; four to terms of imprisonment ranging from five to twenty years at the beginning of October; and one to seven years' hard labour on the 20th December. In this last case the prisoner was Dr. Steinhäusl, who had been Chief of the Austrian Criminal Police.

While these outstanding accounts were being settled, the conflict between the Vaterländische Front and the two Opposition parties continued.

On the anti-Social-Democratic front the Austrian authorities made more than 300 arrests in the last week of January 1935 and more than 500 in the first week of February in anticipation of the anniversary of the civil war which had broken out on the 12th February, 1934. Within the next few days between 200 and 300 more Social Democrats were arrested after having been taken by surprise during secret meetings on skis in the woods. It was perhaps thanks to these precautionary measures that there were only minor disturbances in Vienna on the 12th February itself. In March 1935 in the Tirol there were numerous arrests, and fifty prosecutions for high treason, on charges of Communist activities. In Vienna there was another bout of arrests towards the approach of May Day, but on this occasion most of the prisoners seem to have been quickly released. On the 15th May a Schutzbund dump of arms and munitions was discovered by the authorities in the cellars of the Reumann-Hof building on the outskirts of Vienna. In the last week in June the publication of the Viennese Vice-Burgomaster Dr. Winter's newspaper *Die Aktion* was stopped by the police. At Vienna, again, on the 31st July two soldiers were condemned to terms of one year's imprisonment with hard labour on charges of mutiny and agitation, while eight others, on trial on the same charge, were acquitted. At Kornenburg, in August, there was one sentence and one acquittal on a charge of smuggling illegal literature. On the 31st August there was a shooting incident in Ottakring in which one Communist demonstrator lost his life. In the same suburb of Vienna, on the 22nd September, both a *cache* of Schutzbund arms and a distributing centre for Nazi propaganda literature were discovered by the police. In November the police took action against a number of Vienna tramway employees whom they suspected of having organized secretly an illicit trades union. On the 23rd of that month fifteen sentences were passed, for the commission of the same offence, at Klagenfurt; and there was another batch of arrests between Christmas and the New Year.

On the other hand, the Austrian Government did not let the year run out without making at least a gesture of conciliatoriness towards their defeated Social-Democratic opponents. On the 29th October, 1935, broadcasts in this sense were delivered by the newly appointed Minister for Social Welfare, Professor Dobretsberger, and his Secretary of State, Herr Znidaric; and this new move was followed up on the 14th in a speech by the new Minister for the Interior, Baron Baar von Baarenfels; on the 20th by another pair of speeches from Professor Dobretsberger and Herr Znidaric; and on the 23rd by yet another speech of the same tenor from no less a person than the Vice-Chancellor, Prince Starhemberg, himself, who explicitly endorsed Professor Dobretsberger's promises. The Social Democrats were also the principal beneficiaries of Dr. von Schuschnigg's Christmas amnesty, which is recorded at a later point of this chapter.[1]

Nevertheless, the outward symptoms of conflict between the Social Democrats and the Vaterländische Front régime continued to manifest themselves during the first quarter of 1936. On the eve of the second anniversary of the 12th February, 1934, quantities of propaganda leaflets were scattered through the working-class quarters of Vienna, and this demonstration provoked a number of fresh arrests. The 16th March saw the opening of a trial in which thirty prisoners—twenty-eight of them being Social Democrats while the other two were Communists—were indicted for high treason on the charge of having attempted secretly to revive the Social-Democratic organizations which had been broken up by force and banned by law in February 1934. The judgment, however, which was passed by the Court on the 24th March was unexpectedly light. There were thirteen acquittals; and of the seventeen sentences fourteen were for terms varying between twelve months and six weeks, while the three principal defendants were condemned respectively to twenty, eighteen and sixteen months' hard labour. This trial was followed by a perceptible relaxation of tension between the Government and their adversaries of the Left—though as late as the 13th March, 1936, the *Neue Freie Presse* remarked with apparent complacency that 'the normal figure (*Normalstand*) of [Social Democrat and Communist] prisoners awaiting trial (*Häftlinge*)' had 'risen from 800 to 1600 in Landesgericht I and from 400 to 750 in Landesgericht II'.

Meanwhile, as between the Government and their adversaries of the Right, hostilities were not only more active but were also longer drawn out.

[1] See p. 422, below.

On the 10th January, 1935, two Nazis were condemned to death after trial by jury at Salzburg on a charge of being in unlawful possession of explosives and arms; but these death-sentences were commuted by the President of the Republic to terms of imprisonment. In the last week of January, three Nazis were arrested at Rieth Innviertel on the charge of being leaders of underground S.A. units; and further information concerning the detection of clandestine Nazi organizations was published by the *Sicherheitsdirektion* for Upper Austria on the 26th of that month. In Vienna on the 5th February a Nazi business man named Steinbichler was sentenced, after trial by jury, to eighteen months' hard labour for high treason, and at Innsbruck on the 8th February two Nazis—a man and a woman—were condemned to death—in this case, too, after trial by jury—for attempted murder and for the illegal possession of explosives; but these two death-sentences, again, were afterwards commuted.

On the 25th February the authorities were able to announce an important success which had resulted from the recent discoveries of the police in Upper Austria. The illegal Nazi organizations of Upper Austria—S.S., S.A., and Hitler Youth—had decided unconditionally to abandon their political activities altogether and to dissolve; they had surrendered quantities of arms and munitions as well as some wireless apparatus; and the number of persons concerned was estimated at 20,000. An attempt on the part of certain recalcitrants to bring the Upper Austrian Nazi organization to life again was detected and quashed in March; but this was not the last that was heard of Upper Austrian Nazidom. On the 8th April, 1935, the Chief Warder of the prison at Garsten, with several of his subordinates, was arrested on the charge of having assisted the Nazi prisoners in his keeping to carry on an illicit correspondence with their friends outside.

On the 25th April, 1935, at Salzburg, a British subject on the staff of the University of Graz was detained on suspicion of serving as a go-between for the Austrian Nazis and their comrades in the Reich; and though he was released on the 18th June he was expelled from Austria. In the Tirol there was an increase in tension between the Nazis and the authorities—and a consequent rise in the number of Nazis under arrest—on the morrow of Herr Hitler's speech of the 21st May.[1] At Vienna on the 1st June it was announced that the authorities had arrested a number of persons suspected of being implicated in the distribution of a clandestine Nazi propaganda-sheet which had been circulating under the provocative title *Illkorr*

[1] See the *Survey for 1935*, vol. i, Part I, section (vi) (*h*).

[*Illegale Korrespondenz*]. There were further arrests on the 2nd and 3rd in this connexion; and one of the prisoners, who was a journalist of Reichsdeutsch nationality, was expelled from Austria. At Vienna on the 21st June two Nazis were taken into police custody; and next day the Frontkämpfervereinigung Deutschösterreichs was dissolved on suspicion of having Nazi affinities. In July an Austrian journalist, Herr Felix Krauss, who was the Vienna correspondent of the *Münchener Neueste Nachrichten*, was arrested and sentenced to three months' imprisonment, pending further investigation, on the ground that he had been carrying on subterranean Nazi activities. In the last week in August the corpse of a young Reichsdeutsch Nazi, resident in Austria, was found in the Tirol near the Bavarian frontier, with the marks of death by violence; and this discovery eventually led to the conviction, on the 12th December at Innsbruck, of two Tirolese girls and a Tirolese student on a charge of having kidnapped and chloroformed the murdered man—whom they had suspected of being an *agent provocateur*—with intent to carry him across the frontier into the Reich. On the 20th September in Vienna twelve sentences were passed, as against four acquittals, in a trial of sixteen Nazis who were charged with having distributed illegal printed matter, and at Linz on the same day arrests were made in connexion with the despatch of parcels containing explosives to officials of the law courts and officers of the gendarmerie. In the same place in the same month two Nazis were sentenced to one year's rigorous imprisonment for having posted up placards taking the Vaterländische Front Government to task for their friendship with Austria's old enemy Italy. At Leoben on the 28th September eighteen Nazis were tried on alternative charges of high treason and of breach of the peace. Six of the prisoners, who were convicted of high treason, were given terms of from eighteen to thirteen months' rigorous imprisonment; the other twelve were convicted of breach of the peace and were sentenced to one month's arrest.

In November 1935 two prominent Austrian Nazis, Herr R. Frauenfeld and Herr Schattenfroh, were released from prison after having lain there respectively since the May and the November of 1934;[1] and there were also Nazi as well as Social-Democrat beneficiaries of Dr. von Schuschnigg's Christmas amnesty; but in this case, as in that, the struggle continued into the year 1936.

In the first week of February 1936, for example, thirty-two Nazis

[1] Herr Frauenfeld soon afterwards made his way out of Austria into Germany, where he was rewarded for his zeal by being elected a member of the Reichstag.

were taken into custody by the police and ten of them detained for further inquiry. On the 29th February, in Vienna, tear-gas bombs were thrown in Jewish shops. On the 24th March, at Innsbruck, eleven soldiers of the Dollfuss Regiment were arrested on suspicion of being implicated in Nazi activities. On the 31st March, at Feldbach near Graz, an ex-Nazi was kidnapped and murdered—after having (so it was believed) been sentenced to death by a secret Nazi court. There was another murder next day, likewise in the Graz district, near Stiftingtal. The authors of these two murders succeeded in flying the country; but on the 11th August three of their accomplices were sentenced to terms of imprisonment. At Vienna, on the 7th April, a former Vice-Chancellor of the Republic, Herr Hartleb, who had held office in Mgr. Seipel's last Cabinet (1927–9), was arrested on suspicion of Nazi activities. On the 16th April there was an attempt, at St. Peter in Styria, on the life of a Heimwehr officer who had been commandant of a concentration camp that had been closed after the amnesty of the preceding Christmas, and on the 21st the assailant was sentenced to penal servitude for life. On the 21st May the Austrian Pan-German League was dissolved by order of the Government. On the night of the 22nd–23rd May there was an unsuccessful Nazi assault upon Prince Starhemberg's castle of Waxenberg, near Linz. At Vienna, on the 25th May, the trial began of eighteen Nazi leaders who had been under arrest for a year or more on a charge of having attempted to reorganize the Nazi armed forces. On the 5th June two of them were acquitted and the other sixteen convicted—but this on the charge of conspiracy only, and not on that of high treason; and the sentences of imprisonment that were passed on them were short enough for them to be considered to have already served their terms while awaiting trial. At Vienna, on the 13th June, the performances in the Opera House and in the Burgtheater were disturbed by the discharge of stink-bombs. On the 16th June the trial of another batch of prisoners, charged with having attempted to reorganize the Austrian Nazi armed forces, resulted in three acquittals and nine convictions for conspiracy only; and in this case again the short sentences of imprisonment which were passed were deemed to have been served already. The mildness of the action of the Court, both on the 5th June and on the 16th, perhaps foreshadowed the approach of the Austro-German agreement of the 11th July.[1] At any rate, the conclusion of this agreement was immediately followed—and the second anniversary of the *Putsch* of the 25th July, 1934, immediately anticipated—by

[1] See pp. 450 *seqq.*, below.

the release from prison, on the 23rd July, 1936, of about 800 Nazis and 400 Social Democrats.

The newly kindled hopes of reconciliation between the Vaterländische Front Government and their adversaries of the Right were, however, quickly chilled by a series of untoward incidents. On the 25th July, which was officially consecrated as a day of mourning for Dr. Dollfuss, the release of Nazi prisoners was celebrated with ostentatiously jovial demonstrations; and on the 29th July the Nazis succeeded in sabotaging the ceremony of the passage through Vienna of the Olympic torch. In reprisal, the Government suspended the amnesty on the 30th and arrested nearly 200 people on the 31st; and most of these were sentenced to short terms of imprisonment or of detention in concentration camps. For a short time after this it looked as though the conflict would be resumed again as actively as ever. On the 9th September there were two bomb outrages on the Austrian railways. At the end of September, however, it was reported that the Austrian Nazi movement as a whole had decided to make its peace with a régime which was now no longer at daggers drawn with the Nazi Government of the Reich. Nevertheless the arrest of 48 Nazis—on suspicion of attempting to revive the Austrian Nazi organization—was reported from the Tirol in the second week in October. And in a speech delivered at Klagenfurt on the 26th November Dr. von Schuschnigg was at pains to make it clear that the peace which had been concluded on the 11th July between a Vaterländisches Austria and a Nazi Reich did not carry with it any prospect of indulgence, or even toleration, for the local Nazi movement on Austrian soil. In this speech the Chancellor declared that, at that moment, he saw three adversaries of the Vaterländische Movement who were by implication also adversaries of the independence of the Austrian state and of the welfare of the Austrian people; and he named these adversaries in the following descending order: first Communism, second National Socialism, and third a slackening of tempo and abatement of energy on the Vaterländische Front itself. The assignment to Communism of the first place on the list was offset by the Chancellor's immediately following declaration of belief that 'this adversary' represented 'no acute danger', whereas Dr. von Schuschnigg's defiance of the Nazi adversary was couched in language of an uncompromising militancy which deserves quotation.

> I cannot insist clearly and unequivocally enough upon the fact that these agreements of the 11th July must remain a clear and unequivocal guiding principle from which I am absolutely convinced that

the Government cannot depart under any circumstances whatsoever. These are agreements between one state and another which can have nothing to do with questions of internal politics. Herr Hitler has referred to the long-established fact, about which there has never been the least shadow of doubt, that in matters of national life and character there are lines of development common to both our countries, along which we Austrians would be just as willing as ever to accompany him, even if this (as sometimes appears to be the case) was not quite so much to the taste of everybody in Austria. Here also is a maxim which I should like to write in the autograph books of those who are unnecessarily anxious about the 11th July and who are talking about possible dangers to the patriotic ideal. Above all, we must put our trust in the living force of the Austrian idea. This idea is strong enough to be able to prevail. For anyone who is in our camp, the first aim of any policy is the defence of our country, and the essential point of the agreement of the 11th July is that it provides a new safeguard for the state.

I know as well as you do, dear comrades, that political development may mean a great ordeal for you. Nevertheless I must ask you not to become discouraged in your work because of these many local difficulties. There are times when the drawn sword decides the battle and times when the combatants must lay aside their weapons and wage a mental fight in order to secure the victory of their ideas. This is the case to-day, though it will still be one of the noblest tasks of members of the Vaterländische Front to be the standard-bearers and heralds of unity. But if anyone in this country should compel us to use other methods, he will find us once again in the front ranks of those who are determined that under no circumstances whatever will they consent to anything which may be contrary to the interests of our country.

It will be seen that, whether or not the Austro-German agreement of the 11th July, 1936, was to be interpreted as a peace, the consequent lull in the conflict between the Vaterländische Front régime and the Austrian Nazis in the Austrian domestic arena was no more than a truce in Dr. von Schuschnigg's view. Yet, at the moment when he was delivering the speech which has just been quoted, the war on two fronts which Dr. von Schuschnigg's régime had been waging at home against the Nazis on the one hand and against the Social Democrats on the other was perceptibly less violent than it had been two years back.

This change may be illustrated by statistics. In an official statement published on the 31st January, 1935, the police-headquarters of Vienna had admitted that in that city alone 38,132 persons had been arrested for political reasons, and 106,319 houses searched, during a period running from the 15th March, 1933, to the 31st December, 1934—19,090 of the persons arrested being Nazis, 12,270 Social Democrats, and 6,772 Communists, while the corresponding figures for the houses searched were 46,582, 46,111, and 13,626. These

formidable figures had been successively reduced in the first place by discharges and acquittals, and in the second place by the amnesty of Christmas 1935. In the broadcast address in which this amnesty was announced by Dr. von Schuschnigg on the 23rd December, 1935, the Chancellor gave figures which showed that only sixteen Social Democrats would continue to serve sentences, while the number of Nazis in prison would at any rate be substantially reduced.[1] On the 28th December the Chancellor's amnesty was followed up by the Minister for the Interior, Baron Baar von Baarenfels, with an authorization for the remission of a number of discriminating measures (e.g. dismissal from employment) with which many opponents of the régime had been penalized on account of their politics. On the 31st December, 1935, the concentration camp at Messendorf in Styria was closed[2] because all the prisoners had been released. On the 8th June, 1936, a further amnesty was foreshadowed; and on the 22nd July this duly came into effect. Thereupon, on the 24th July, some 800 Nazis and 400 Social Democrats were released from prison —the roll of beneficiaries including some of the prisoners who had been sentenced to very long terms—while more than 8,000 others who had been awaiting trial were notified that the proceedings

[1] The following précis of the Chancellor's figures, with explanatory comments, was given in a telegram from the correspondent of *The Times* at Vienna which was published in *The Times* on the 24th December, 1935:

'The Chancellor said that the regular Courts had sentenced 1,521 Socialists and 911 Nazis: 1,351 of the 1,521 had already been released, 460 of these having been reprieved or liberated on probation. Of the 170 still in prison 154 would now benefit from the Christmas amnesty, so that only 16 would remain. No mercy would be extended to them because they had blood on their hands or non-political charges against them. Among the liberated prisoners were some who had received very heavy sentences. (It is understood that Major Eifler, the commander of the Republican Schutzbund, whose original sentence of 18 years' imprisonment was recently reduced on appeal to 14 years, is among the beneficiaries, as well as his chief of staff, Captain Löw, who received a sentence of 12 years.) Proceedings against 19 Socialist leaders who had long been at large had been quashed (this refers to Dr. Seitz, the former Burgomaster of Vienna, and other prominent Socialist leaders) because it had been found that the chief guilt attached to those who had fled across the frontiers (an allusion to Herr Otto Bauer, Herr Ernst Deutsch, and others).

Of the 911 Nazi *Putschists*, the Chancellor said, 424 had already been liberated, 16 would benefit from this amnesty, and clemency was being considered in 60 other cases; 26 prisoners had been released from the Wöllersdorf concentration camp, where there were now only 170 prisoners, including 125 Nazis implicated in the raid on the Chancery.

On the 30th November, 1935, 2,266 prisoners were serving *Verwaltungsstrafen* (sentences imposed by the police without trial); 738 of these were Socialists and 1,528 Nazis. Of these, 955 would be released.'

N.B.—Dr. Seitz does not appear to have been granted the benefit of the amnesty for some months.—A. J. T.

[2] See p. 419, above.

against them had been abandoned. And it was announced that only 224 persons in all now remained in prison serving sentences on political grounds. Several hundred more prisoners in the concentration camp at Wöllersdorf, who were to have been released on the 1st August, but whose liberation was postponed on account of the disturbances of the 29th July,[1] were released after all on the 1st September.

These figures indicate that, in the autumn of 1936, Austria, under Dr. von Schuschnigg's rule, was making considerable headway in the task of overcoming her internal difficulties.

The Struggle for Power among the Parties and Personalities represented on the Vaterländische Front, and the Triumph of the Right Wing of the Christian Social Party and Dr. von Schuschnigg.

In a previous volume[2] the history of the Vaterländische Front régime in Austria has been carried down to the reconstruction of the Government after the suppression of the Nazi *Putsch* of the 25th July, 1934, in which the late Chancellor, Dr. Dollfuss, had lost his life. In the new Government, the two posts of Chancellor and leader of the Vaterländische Front, which had been combined in Dr. Dollfuss's person, were distributed between Dr. Dollfuss's successor in the leadership of the Christian Social Party, Dr. von Schuschnigg, and the leader of the Heimwehr, Prince Starhemberg, while the Prince at the same time retained his post as Vice-Chancellor, and Major Fey his as Special Commissioner for Defence and Security. The alliance between the Christian Socials and the Heimwehr in the Vaterländische Front was thus reflected in the composition of the new Government as faithfully as in that of its predecessor; and the régime emerged from the crisis neither markedly strengthened by the common victory over a common enemy, nor markedly weakened by the tragic removal from the scene of the statesman under whose auspices this united front had first been established. Yet, though there was no sudden change in the internal structure and balance of the Vaterländische Front, the next two years saw the partners drift into a conflict with one another which ended in the discomfiture of the Heimwehr and the replacement of a precarious dualism by a possibly more durable unity on a predominantly Christian Social basis. This *Auseinandersetzung* between the two allies wore the appearance, in retrospect, of being the inevitable result of a long latent but obstinately persistent incompatibility of temperament and ideals; and if this was indeed the truth, then there was no reason to suppose that

[1] See p. 420, above.

[2] The *Survey for 1934*, pp. 480–1.

the clash would ultimately have been avoided even if Dr. Dollfuss had lived out his natural life.

The situation in Austria after the conclusion of the alliance between the Catholic Christian Social Party and the Fascist Heimwehr on the 20th May, 1932, was in one respect not unlike the situation in Italy after the signature of the Lateran Agreements of the 11th February, 1929.[1] In Austria, as in Italy, the relations between a Church and a political movement which each claimed jurisdiction over the whole field of life had merely been adjusted to a *modus vivendi* which bore few of the marks of a permanent settlement. In both cases it looked, from the beginning, as though the two parties would eventually find themselves driven into conflict by the logic of the situation even if neither of them had any desire to force the issue; and in Austria this fate did in fact overtake the Vaterländische Front before the end of the year 1936, when the Heimwehr went under and the Christian Social Party remained supreme. It might be doubted, however, whether the Austrian triumph of Catholicism over Fascism were premonitory of any coming Italian events; for the Fascism which in Italy was a native growth was in Austria no more than an exotic import which might well have failed to take any root at all if it had not been tended by Italian diplomacy and perhaps also watered with Italian subsidies. On this showing, the fact that the Austrian Heimwehr succumbed to a political party which stood for Catholicism was no indication that in Italy the Fascist state was destined to be supplanted by a reincarnation of that Catholic Partito Popolare which had been annihilated by Signor Mussolini in 1926.

It remains to describe the play of political forces in the Austrian Vaterländische Front in the course of the years 1935 and 1936; and this piece of history was woven of three strands. There was the process of constructing an Austrian corporative state; there was the rivalry of parties and 'private armies'; and there was the reflection of that group-rivalry in the conflict of personalities in the Government. On the first of these subjects nothing need be said in this *Survey* beyond taking note of one point of difference and one of likeness between the Austrian and the Italian corporative state. On the one hand the Austrian corporatism differed from the Italian kind in being distinctively Catholic[2] instead of distinctively Fascist, and on the other hand it could not be taken for granted in Austria, any more

[1] See the *Survey for 1929*, Part V, section (i) (c).

[2] The new structure of the Austrian state was based upon the Papal Encyclical *Quadragesimo Anno* of the 23rd May, 1931 (see the *Survey for 1934*, pp. 457–8).

than in Italy, at this time, that what had been enacted on paper was being, or ever would be, translated into practice. The other two strands of the Austrian story are so closely interwoven that they cannot be disentangled.

When Dr. von Schuschnigg's Government took office on the morrow of the abortive Nazi *Putsch* of the 25th July, 1934, the 'private armies'—or semi-public 'para-military formations'—supporting the Vaterländische Front were conspicuous not only for their multitude but also for their discord, which was thinly veiled by their common affiliation to a single all-embracing organization. The two components of the Vaterländische Front were not only at variance with one another but were also each of them rent by internal factions. In the bosom of the Heimwehr there was a feud between the partisans of Prince Starhemberg and those of Major Fey, while on the Catholic side in Vienna (though not in the other Länder)[1] there was strife—on lines of class and not of personal allegiance—between Dr. von Schuschnigg's more conservative-minded Ostmärkischen Sturmscharen and the Freiheitsbund: an organization of Catholic workers which was the sole surviving representative of its class after the suppression of the Social-Democratic Party, and which had therefore gained a considerable number of recruits among the former members of its now disbanded rival. In Vienna, on the 29th April, 1935, there was a clash between detachments of these two armed Catholic formations; and on the 31st May the leaders of the Freiheitsbund were informed by Dr. von Schuschnigg that only those members of the organization who had joined it before the 1st February, 1934, were to keep their places in the Wehrfront (i.e. in the armed forces supporting the Vaterländische Front). The remainder were to be organized into an (unarmed) workers' movement. On the 30th June, again, there was a scene in Vienna between the Catholic Burgomaster and the Heimwehr because the Burgomaster had omitted to fly the Heimwehr flag over the city hall when the motor detachments of the Heimwehr from all over the country were assembled in a rally in the vicinity. While such open collisions were infrequent, there was a strong and steady rivalry which displayed itself in a number of competitive activities: rallies, parades, youth-picnics and 'socials' (*Kameradschaftsabende*), at each and all of which the company was addressed by one or more

[1] In Vienna the Ostmärkischen Sturmscharen made common cause with the Heimwehr owing to the local strength of the anti-Socialist feeling among the bourgeoisie. In the rest of the country, on the other hand, the two Catholic organizations worked amicably side by side.

of the party leaders. On the 2nd June, 1935, for example, in the park at Schönbrunn, there was a parade of 20,000 Heimwehr men, together with several thousand members of the Heimwehr Youth, and the speeches were made by Major Fey and Prince Starhemberg. On the 15th June, 1935, on the Heldenplatz at Vienna, there was a parade of 30,000 'meist uniformierten Sturmscharkameraden und -kameradinnen', and the speech was made by Dr. von Schuschnigg.

Compared with these party organizations, the all-embracing Vaterländische Front had less appearance of spontaneity, at any rate at this stage of its existence; but efforts were made to stimulate it by the current conventional methods. On the 27th April, 1935, for example, there was a rally of the Lower Austrian Vaterländische Front which was addressed by Dr. von Schuschnigg under the auspices of Prince Starhemberg. On the 21st May, 1935, which was the second anniversary of the foundation day of the Vaterländische Front, the General Secretary, Colonel Adam, issued a manifesto addressed to all Austrians, in which he ascribed to them a faith in 'the eternal mission of the Austrian Fatherland', described their task as being 'to maintain Austria for ever free and independent', and ended on the note of 'Heil Starhemberg! Heil Schuschnigg! Oesterreich!'

On the 25th May, 1935, it was announced that the Army was being incorporated into the Vaterländische Front *en bloc*; and this move gained retrospective significance on the 1st April, 1936, when, in the (now nominated and not elected) Austrian National Assembly (Bundestag), the Chancellor introduced a Bill for the re-establishment of universal compulsory service, and the Assembly duly passed the Bill into law at the same sitting.[1] On the 23rd April it was announced that the first annual class, that of 1915, was to be called up in June for 'service with or without arms' in accordance with the first paragraph of the first article of the Act. Thereafter, on the 2nd May, 1936, the Austrian Government addressed to foreign Powers a memorandum on the subject in which the step was defended on considerations of economy, sovereign rights, the preservation of the existing European order, the failure of the other signatories of the Peace Treaty of St. Germain to carry out their own undertakings in regard to disarmament, and the social value of the measure as a unique means of physical, moral, and patriotic education. In the forefront of all these pleas, however, the Austrian Government drew attention to the fact that the obligation which the new law imposed

[1] For the reactions in the Little Entente countries, see p. 511, below. See also p. 137, above.

on Austrian citizens was a liability to public service in general, and not exclusively to the bearing of arms (Dienstpflicht, nicht Wehrpflicht). And from the contemporary course of Austrian domestic politics it may be inferred that this aspect of the law of the 1st April, 1936, was as prominent in Dr. von Schuschnigg's mind as it was in his memorandum. For there can be little doubt that this expansion of a public force which was *ex officio* under the orders of the Government, and at the same time an integral part of the Vaterländische Front, was one of the factors that inclined the scales in Dr. von Schuschnigg's favour in the decisive contest between his own Christian Social Party and Prince Starhemberg's Heimwehr.

Neither the outbreak nor the outcome of this conflict between Prince Starhemberg and Dr. von Schuschnigg was foreshadowed in the first conspicuous modification of that balance between the several forces represented on the Vaterländische Front which had been arranged at the end of July 1934. This shift in the balance came to light on the 17th October, when the Government was reconstructed; and this reconstruction was the result of a quarrel in which Dr. von Schuschnigg and Prince Starhemberg in concert won a joint victory over Major Fey. The occasion was Major Fey's opposition to a scheme, sponsored by both of his colleagues in the triumvirate, for the unification of the diverse armed forces supporting the Vaterländische Front into a single 'volunteer militia' to be called the Freiwillige Miliz Oesterreichischer Heimatschutz. Major Fey was excluded from the Government, and on the 19th November, 1935, he suffered the further reverse of being compelled to resign from the leadership of the Vienna Heimwehr—a position which he had held for five years, and on the strength of which he had been able to make himself a power in the country.[1] This conflict was not between Dr. von Schuschnigg and Prince Starhemberg or between the Christian Socials and the Heimwehr; it was a domestic struggle in the bosom of the Heimwehr between two rival leaders; and the immediate effect was not to diminish the Heimwehr's strength but rather to increase it by substituting a unitary for a divided command, and by slightly increasing the Heimwehr's representation in the Cabinet. At the

[1] On the 17th October, 1935, Dr. von Schuschnigg and Prince Starhemberg had been afraid that Major Fey might attempt to raise the Vienna Heimwehr against them, and they had accordingly taken the precaution of putting the small garrison of regular troops in Vienna into a state of preparedness and at the same time drafting into the city some detachments of the Lower Austrian Heimwehr, upon whom Prince Starhemberg could count. It was Baron Baar von Baarenfels who drafted these detachments in at Prince Starhemberg's suggestion.

moment, it was not apparent on the surface that Prince Starhemberg himself was destined, within less than seven months, to follow in Major Fey's retiring footsteps.

The first open hints of a rift between Dr. von Schuschnigg and Prince Starhemberg were given on the 26th April, 1936, in a pair of speeches delivered on that date by the Chancellor at Baden-bei-Wien and by the Vice-Chancellor at Horn in Lower Austria. Dr. von Schuschnigg asked, and answered, three questions:

> What is the first symbol in this country? The Army. What is the necessary presupposition? The School. What is the spiritual presupposition? A Christian apprehension—working in the depths of the soul—of the problems of our time.

Dr. von Schuschnigg's exaltation of the Army threw some light on an otherwise cryptic declaration in Prince Starhemberg's speech that the Heimatschutz or 'volunteer militia'—into which the several para-military formations affiliated to the Vaterländische Front were now supposed to be in process of being unified—would be dissolved only over the Prince's dead body. The inference seemed to be that, in the interval between the 17th October, 1935, and the 26th April, 1936, Prince Starhemberg had made the discovery that the task of unifying the para-military formations, which he had undertaken at Dr. von Schuschnigg's request, had in the Chancellor's mind been nothing but an overture to the disbanding of these irregular forces in order to leave the field to the new conscript army which was now being called into existence under the Chancellor's own control. It may also be conjectured that Dr. von Schuschnigg was able to bring the power of the purse to bear in support of his own policy, now that Prince Starhemberg could no longer count on material aid from Italy for the support of his Heimwehr.

This interpretation of the meaning of the two speeches of the 26th April, 1936, was borne out by a *communiqué* which was issued on the same day by the Prince's press bureau. It was here revealed that, the day before, the Prince had held a national congress of leaders (Führertagung) of the Heimatschutz and had spoken 'with uncompromising frankness' about the domestic as well as the foreign situation. He was said to have received assurances of unconditional loyalty and to have declared his own loyalty to Dr. von Schuschnigg. There were similar protestations in Prince Starhemberg's speech at Horn; but the emphasis with which they were delivered served rather to create the impression that the two surviving members of the triumvirate were no longer in accord. They seem, indeed, to have parted company not only on the issue of Heimat-

schutz *versus* Regular Army, but also over the policy—inaugurated by the Minister for Social Welfare, Professor Dobretsberger, and encouraged by Dr. von Schuschnigg, but looked askance at by Prince Starhemberg—of conciliating Labour.

On the 10th May (which happened to be Prince Starhemberg's birthday), the streets of Vienna echoed with rival shouts of 'Heil Schuschnigg!' and 'Heil Starhemberg!' when the Freiheitsbund (latterly restored to favour with the Chancellor) was holding a spring parade and was verbally assaulted by Heimwehr demonstrators. A number of these obstreperous Heimwehr men were taken into custody by the police, and Prince Starhemberg had to intervene personally in order to obtain their release. This was his last success; for at about 4.0 a.m. on the 14th May the issue of an official *communiqué* made it known that 'the former Vice-Chancellor, Ernst Rüdiger Prince Starhemberg', had 'ceased to be a member of the Government in consequence of material differences of opinion between himself and the Chancellor.'[1] The same *communiqué* announced that the Government had been dissolved and reconstructed, and made known the composition of the new Ministry; and the only further mention of Prince Starhemberg's name in this historic document was in the statement that, at the Chancellor's desire, the Prince had instructed all members of the new Cabinet who belonged to the Heimatschutz to accept the Chancellor's invitation to serve.

Dr. von Schuschnigg had, in fact, adroitly driven a wedge between Prince Starhemberg and his partisans by allowing these to survive, and even to profit by, their leader's overthrow. The elimination of the Prince from the Cabinet was not accompanied by any general purge of the Heimwehr element. The only conspicuous Heimwehr Minister who lost his place was Baron Berger-Waldenegg, the late Minister for Foreign Affairs, who had been Prince Starhemberg's nominee. On the other hand, the Heimwehr were humoured by the simultaneous exclusion of two Christian Social Ministers, Professor Dobretsberger and Dr. Strobl, who had been taken into the Government at the time of the reconstruction of the 17th October, 1935, and who stood for the policy, mentioned above, of conciliating the working class.[2] Ostensibly, it was only Prince Starhemberg in person,

[1] 'Der bisherige Vizekanzler Ernst Rüdiger Fürst Starhemberg ist infolge sachlicher Meinungsverschiedenheiten mit dem Bundeskanzler aus der Regierung ausgeschieden.'

[2] For Professor Dobretsberger's policy see p. 416, above. His Secretary of State, Herr Znidaric, also lost his post in the reconstruction of the 14th May, 1936.

and not the Heimwehr, that was being hit. In reality, however, Dr. von Schuschnigg had now made himself master of the situation; for in depriving the Heimwehr of their leader he had weakened the organization itself, and at the same time he had concentrated an overwhelming combination of powers in his own hands. In the new Government Dr. von Schuschnigg was not only Chancellor and Minister for Defence; he was also Minister for Foreign Affairs and Leader (in Prince Starhemberg's stead) of the Vaterländische Front.

What had sealed Prince Starhemberg's fate was not, apparently, the Heimwehr demonstration of the 10th May but the despatch by the Prince of a telegram of congratulation to Signor Mussolini on the same night[1] in the following terms:—

> Deeply interested as I am in the destiny of Fascist Italy owing to my consciousness of Fascist solidarity, I congratulate your Excellency with my whole heart in the name of those who fight for Fascism in Austria and in my own name on the famous and magnificent victory of the Italian Fascist armies over barbarism; on the victory of the Fascist spirit over democratic dishonesty and hypocrisy; on the victory of Fascist sacrifice and disciplined courage over demagogic falsehood.
>
> Long live the resolute leader of victorious Fascist Italy!
>
> Long live the victory of the Fascist idea in the whole World!

Presumably Prince Starhemberg's intention in sending off this telegram at this moment was to save himself by procuring the Duce's intervention on his behalf. If this was indeed his aim, his way of pursuing it was singularly ill-advised; for the tenor of the telegram would appear to have left Signor Mussolini cold, while it alarmed and incensed Dr. von Schuschnigg and his professional advisers in the Austrian Ministry of Foreign Affairs.

This was only to be expected; for while the Austrian Government had felt constrained at Geneva, in October 1935, to abstain from joining the 'sanctions front' against Italy in view of their dependence on Italian support for the fighting of their own battle against Nazidom, they had taken no pleasure in dissociating themselves from an overwhelming majority of their fellow states members of the League of Nations over an important question of principle which had a close bearing on Austria's own destinies, and it had been their constant concern ever since to prevent this unfortunate divergence of policy from producing a moral rift between Austria and the World of the kind that had now opened between the World and Italy. The successful prosecution of this delicate task of Austrian diplomacy was now put in jeopardy by Prince Starhemberg's gratuitous insults to

[1] The telegram was despatched during the night of the 10th though it was not published until the 12th.

the League of Nations and to the democratically governed West-European Powers; the publication of the text of the telegram evoked official remonstrances from several foreign Governments; and the immediate exclusion of the Prince from the Government—with the accompanying transfer of the portfolio for foreign affairs from the hands of the Prince's nominee Baron Berger-Waldenegg to those of Dr. von Schuschnigg himself—was perhaps the only means by which Dr. von Schuschnigg could make it clear beyond mistake that the Prince had been speaking for himself alone.

In taking this drastic step to rehabilitate Austria in the eyes of the World Dr. von Schuschnigg did not have to fear that in getting rid of his Heimwehr colleague he would be embroiling himself with his Italian patron. He did, indeed, take the precaution of immediately telegraphing to both Rome and Budapest an assurance that the reconstruction of the Government at Vienna portended no change in either the domestic or the foreign policy of Austria; but, at least in so far as Austrian foreign policy was concerned, Signor Mussolini could have been sure of this even if Dr. von Schuschnigg had not done him the courtesy of sending him a message to that effect. The dictator in Rome could count confidently on the loyalty of the dictator (as Dr. von Schuschnigg now was) in Vienna, because the Austrian Christian Social Party was just as unwilling as the Heimwehr was to capitulate to Nazidom, and at the same time just as clear in its own mind that it must infallibly succumb to its formidable Reichsdeutsch adversary if ever it threw over its powerful Italian champion. Possibly Signor Mussolini would have preferred to see the Catholic-Heimwehr alliance in Austria continue; but if the alliance were broken beyond Italian power to patch it up, so that Italy must now make her choice between one or other of two no longer compatible Austrian factions, then it was manifestly the part of wisdom for her to favour the party which had the better prospect of maintaining Austria's independence with the lesser need for relying upon foreign aid; and this consideration pointed to supporting Dr. von Schuschnigg, whose power was solidly based upon the genuine predominance in Austria of the Catholic interest, in preference to supporting Prince Starhemberg, whose Austrian version of Fascism had been proved to be exotic by its evident inability to hold its own at home when it had been deprived of the material support from abroad which Italy was now no longer in a position to provide. Nor is it certain that, from Signor Mussolini's point of view, Prince Starhemberg's fall was inopportune at a moment when the Italian dictator was addressing himself to the

delicate problem of reconciling his support of the independence of Austria with the construction of a 'Berlin-Rome axis';[1] for Prince Starhemberg was *persona ingratissima* in the eyes of Herr Hitler. For Signor Mussolini to have taken up the cudgels on Prince Starhemberg's behalf in May 1936 just because the Heimwehr wore the badge of Fascism would thus have been an act of sheer sentimentality; and if Prince Starhemberg was banking on this expectation he was showing himself to be less well acquainted with the Duce's character than Dr. von Schuschnigg, who staked his fortune on Signor Mussolini's 'realism' and did not lose the game.

On the 14th May Prince Starhemberg seems still to have been counting upon being reinstated through Signor Mussolini's intervention; for, just before his departure that evening for Rome (where he was due to attend an Austro-Italian football-match on the 17th), he declared that the fight for Fascism in Austria was not over; that it was just beginning; that he would be back in a week; and that then the fight would start in earnest and that Fascism would triumph.

On the 15th May, which was the date of Prince Starhemberg's arrival in Rome, Dr. von Schuschnigg made an important speech in Vienna on the occasion of his formal assumption of the Leadership of the Vaterländische Front. He laid stress upon his loyalty to the memory of Dr. Dollfuss and upon the present necessity in Austria for 'a unity leaving no room for any doubt, any misinterpretation or any uncertainty.' And he proceeded to give this postulate a practical application.

> The period of rivalry among organisations and groups must once for all be brought to an end. Let me make it quite clear. There are to be no armed volunteers outside the Militia [of the Vaterländische Front]. All other organisations must draw closely together, strictly on the basis of the Vaterländische Front, and in support of its aims.

From Rome, on the same date, Prince Starhemberg telegraphed the following order of the day to the Heimatschutz:

> Stand firm, and remain united and loyal in perfect discipline. Long live the Heimatschutz and its Austria.

This order came on to the agenda of a national congress of Heimwehr leaders which met in Vienna on the 16th and sent the Prince the following telegram in reply:

> The Landesführer of the Austrian Heimatschutz, assembled here at your bidding, and over whose meeting I have presided, declare, on their

[1] See section (vii) of this part of the present volume.

own behalf and on behalf of all their comrades, that they will stand by you in steadfast allegiance and absolute obedience.

We remain united and loyal in perfect discipline.

Heil Starhemberg.

The terms of this declaration of loyalty were strong; yet the Prince's gratification must have been tempered when he came to the signature—'Baar'—with which the telegram ended; for Baron Baar von Baarenfels had been both an agent and a beneficiary of Prince Starhemberg's downfall. As commander of the Heimwehr of Lower Austria the Baron had played an important part in the elimination of Prince Starhemberg from the Government on the 14th May as well as in the elimination of Major Fey on the preceding 17th October, and on each occasion he had received as his reward the office that had been vacated by the victim of the day. In the Cabinet reconstruction of the 17th October, 1935, Baron Baar von Baarenfels had succeeded Major Fey as Minister for the Interior and for Security; on the 14th May, 1936, he had succeeded Prince Starhemberg as Vice-Chancellor, without surrendering his previous portfolio. For Prince Starhemberg's prospects the Baron's name at the foot of the telegram was therefore no good omen; and although, in the light of the Baron's record, the tenor of the telegram may have given Dr. von Schuschnigg, too, a bad quarter of an hour, the Doctor's triumph and the Prince's discomfiture were confirmed in the course of the same day by the despatch, to Vienna from Rome, of the following telegram, signed by Signor Mussolini and addressed to Dr. von Schuschnigg:

The message which your Excellency sent me on assuming the direction of the new Government and the expressions accompanying it are most welcome to me. In thanking you, I desire to confirm the friendliest sentiments on my part, offering you the sincerest wishes for the continuation of success in your work, and also assuring you that the fidelity to the spirit of the Rome protocols reaffirmed by your Excellency remains the one basis of the principles of policy of the Fascist Government.

The publication of this telegram cancelled the effect of the news that, on the day of its despatch, Signor Mussolini had granted Prince Starhemberg a personal interview which had lasted for two hours.[1] The reality of Dr. von Schuschnigg's victory was driven home on the same day by the promulgation of an order by the Police President of Vienna dissolving an organization called the Schutzcorps as a first step towards the promised general liquidation of the para-military

[1] So far from giving Prince Starhemberg any encouragement on this occasion, Signor Mussolini appears to have done his best to bring him to a more sober frame of mind.

formations. On the 20th May Prince Starhemberg flew back from Rome to Vienna a beaten man; and on the same day the Government adopted a 'Bundesgesetz über die Vaterländische Front' which gave the Chancellor the position of Frontführer with dictatorial powers and confined the privilege of bearing arms outside the Regular Army to a volunteer force, to be known as the Frontmiliz, which was to wear uniform and to be organized on military lines under the Frontführer's absolute control.

With the promulgation of this law on the 21st May, 1936, Dr. von Schuschnigg attained in the post-war Austrian Republic to that plenitude of power which his compatriot Herr Hitler had already been exercising for three years and more in the adjoining Reich. At the time of the break-up of the old Austrian Empire in the autumn of 1918, few observers would have prophesied that, less than eighteen years later, a pair of Austrians would be sitting in the seats of both the Hapsburg and the Hohenzollern and would, between them, be bearing rule, with powers far exceeding those of any pre-war Imperial Majesty, over the whole of the German-speaking world from Innsbruck to Königsberg and from Graz to Bremen. Yet, fellow Austrians though they were, and fellow Catholics into the bargain, the two Teutonic dictators were at opposite poles from one another in respect of their methods; for in the realm of means, as distinct from that of ends, the 14th May, 1936, in Austria bore no resemblance whatever to the 30th June, 1934, in Germany. 'Heads' did not have to 'roll' in order to clear the way for Dr. von Schuschnigg's monopolization of authority; and Prince Starhemberg, having been allowed to leave Austria on the 14th May itself, felt safe in returning to Austria on the 20th. The worst that he suffered was his forfeiture of the Vice-Chancellorship of the Federal Government and the Leadership of the Vaterländische Front; and even then he was allowed to retain two offices and to acquire another. On the 15th May Dr. von Schuschnigg announced that Prince Starhemberg was not only to remain Leader of the Heimwehr and of Sport, but was to undertake in addition the supervision of the Mothers' Aid Section of the Vaterländische Front ! If the other contemporary Austrian dictator's defeated opponents had fared no worse than this, the history of Europe might have taken a different turn.

On the 24th May Dr. von Schuschnigg addressed a meeting of 10,000 Catholic peasants at Gänsersdorf in Lower Austria in terms which showed that he intended to keep the upper hand, but this speech provoked no violent reaction in the ranks of the Heimwehr. On the 27th Prince Starhemberg's press bureau announced that the head-

quarters of the Heimatschutz were to be transferred from Vienna to Linz; and on the same day the Government placed a ban on Heimwehr rallies and demonstrations. On the 1st June Dr. von Schuschnigg suddenly left Vienna for Italy; and on the 5th he lunched with Signor Mussolini at Rocca delle Caminate before returning to Vienna on the 6th. The satisfactoriness, from the Chancellor's point of view, of the result of this flying visit was attested by the confidence of the tone in which he addressed a rally of the Vaterländische Front on the 9th June and a gathering of Lower Austrian peasants on the 14th. Prince Starhemberg visited Italy again on the 27th June and yet again on the 27th July; but the sequel showed that he had not prevailed upon Signor Mussolini to prevent the power-game at Vienna from being played out to the bitter end.

The last act opened on the 14th September with a decision of the Vienna Heimwehr to depose Prince Starhemberg from their leadership and to reinstate Major Fey. Prince Starhemberg declined to accept this decision; but on the 26th he received a further blow from the Tirol Heimwehr, who telegraphed on that day to inform him that he no longer enjoyed their confidence. On the 2nd October Prince Starhemberg proclaimed the expulsion of Major Fey from the ranks of the Heimwehr; but this time it was Major Fey's turn to declare the decision invalid. On the 7th October the Major challenged the Prince to a duel on the ground that the Prince's *communiqué* of the 2nd had contained imputations on the Major's personal honour.[1] Meanwhile, Major Fey's assault on Prince Starhemberg had precipitated a fresh crisis in Dr. von Schuschnigg's Cabinet; but this crisis was resolved, during the night of the 9th–10th October, by the resignation of the Prince's partisans—or ex-partisans—Baron Baar von Baarenfels (Vice-Chancellor and Minister for the Interior and Security) and Dr. Draxler (Minister for Finance). Thereupon the Cabinet passed two resolutions: one providing for the dissolution of all existing para-military formations (Wehrverbände) and the absorption into the Frontmiliz of any desirable elements from the disbanded forces; and the other resolution laying down that henceforth no member of the Government should owe allegiance to anyone except the President and the Chancellor of the Republic. The dissolution decree was taken cognizance of by the Heimwehr leaders on the morning of the 10th at a meeting over which Prince Starhemberg presided. The Prince then issued an appeal to his followers to

[1] This personal quarrel between Major Fey and Prince Starhemberg was eventually referred to a Court of Honour composed of Austrian army officers. The court found in Major Fey's favour on the 10th March, 1937.

accept the *fait accompli* quietly; and he set them a personal example by leaving the country at midday.[1] The 15th October saw the publication of a decree law, over the names of President Miklas and Dr. von Schuschnigg, dissolving and liquidating the Oesterreichische Heimatschutz, the Ostmärkischen Sturmscharen, the Wehrzüge der Christlich-deutschen Turnerschaft Oesterreichs, the Freiheitsbund, and the Burgenländischen Landesschützen. On the 18th October, on the Schmelz parade-ground at Vienna, there was a gigantic rally of the Vaterländische Front which opened with the celebration of Mass and was addressed by the dead Catholic Chancellor Dr. Dollfuss —whose voice was conjured out of a gramophone and broadcast through loud-speakers—as well as by his living successor.

The vigour with which Dr. von Schuschnigg had acted in destroying the Heimwehr was not to be interpreted as implying any inclination towards the Left; and the essential conservatism of the Chancellor's policy, which had been revealed on the 14th May when Professor Dobretsberger, as well as Prince Starhemberg, had lost his place, was demonstrated again on the 23rd October in the dismissal of Dr. Winter, the Vice-Burgomaster of Vienna, who was a staunch Catholic and staunch Monarchist but at the same time a critic of Dr. von Schuschnigg on the double ground that the Chancellor had been showing himself too unsympathetic towards Labour and too complacent towards the Third Reich. Dr. Winter's dismissal was a sign that Dr. von Schuschnigg now intended to tolerate no movement in Austria that was not fully in line with his own conservative clericalism; and the last restrictions on the absoluteness of his own personal authority were removed on the 3rd November when he reconstructed his Cabinet yet again. This time the principal victims were Baron Baar von Baarenfels and Dr. Draxler (who had been re-appointed as an act of grace after their resignation on the 9th–10th October); and this final stroke left Dr. von Schuschnigg complete master[2] of a Government of which he had originally

[1] Prince Starhemberg's peaceable acceptance of a *fait accompli* on the 10th October, 1936, as well as on the 14th May, must be counted to him for righteousness—though he had probably both expected and desired for some time past to retire from politics, and had only been shaken in his intention at the last moment, under the influence of the abortive revolt in the Heimwehr ranks. In spite of this momentary lapse, the Prince was no doubt aware that any attempt at resistance would be hopeless, and he was also preoccupied with personal affairs. Resistance was out of the question without Italian support, and this was manifestly not forthcoming.

[2] The places in Dr. von Schuschnigg's Ministry which were vacated on this occasion were filled by two new-comers: Dr. Glaise-Horstenau (who was now promoted to the Ministry of the Interior from the ministerial post without

assumed the Chancellorship, not much longer than two years back, as the prisoner of alien political forces. It was no wonder that, in his retrospective utterances at the close of the calendar year, the Austrian Catholic dictator sounded a confident note.

A speech broadcast by Dr. von Schuschnigg on Christmas Eve, 1936, concluded with the following words:

> I believe that we have good reason to cross the threshold of 1936–37 with the invincible optimism that is so truly Austrian. Optimism does not mean blindly or thoughtlessly underestimating our present difficulties and distress but having faith in the future and in our own powers. In 1936 we have had to deal with grave and difficult political questions the settlement of which has often only been achieved at the cost of disturbances and which has used up much of our energy. I hope and wish that in 1937 we shall be able to devote our united efforts to our urgent economic and social questions, and that by solving them we may for the first time open the way to a real national unity.

And the following passage was the kernel of an article from the Chancellor's pen which appeared in the *Neue Freie Presse* on Christmas Day:

> We should not be Austrians at all if we were not quite sure that there could be no such thing as a political and economic miracle. And yet, in these last few years, we have become accustomed to hear of 'the Austrian miracle'. This is a miracle in which we wish to believe and in which we must believe, for we can all see it with our own eyes. Something has come true which seemed utterly impossible a few years ago. The suppliant, aimless country of the years after the War has become a state, and many other states acknowledge its political and economic stability.

(3) *The Maintenance of the Italo-Austro-Hungarian Group*

In following the steps that were taken, during the years 1935 and 1936, for the maintenance of the three-Power group which had been established by the pact of the 17th March, 1934,[1] it will be convenient first to take note of the activities in which all three parties were concerned, and then to glance at their relations with one another *à deux*.

portfolio to which he had been summoned immediately after the conclusion of the Austro-German agreement of the 11th July, 1936 (see p. 453, below)), and Herr Neustädter-Stürmer, who had previously been the Austrian Minister at Budapest and now became Minister for Public Security at Vienna. These two appointments were made in pursuance of the new Austro-German *détente*; but although the two new Ministers owed their accession to office to their National-Socialist proclivities, they were to find that it was not their destiny to shepherd Dr. von Schuschnigg into a Nazi fold. On the 20th March, 1937, Herr Neustädter-Stürmer was compelled by Dr. von Schuschnigg to resign his office as the penalty for an excess of National-Socialist zeal.

[1] See the *Survey for 1934*, Part III C, section (ii).

The first reunion between representatives of all three Powers since the meeting of the 13th–17th March, 1934, at Rome which had seen the conclusion of the pact[1] took place at Venice on the 4th–6th May, 1935. On this occasion the three parties were represented respectively by the Italian Under-Secretary of State for Foreign Affairs, Signor Suvich, and by the Austrian and Hungarian Foreign Ministers, Baron Berger-Waldenegg and Monsieur de Kanya. The purpose of the meeting was to promote the conclusion of that pact for the preservation of Austria's independence which had been envisaged first in one of the protocols signed at Rome by Signor Mussolini and Monsieur Laval on the 7th January, 1935,[2] and then again in the Anglo-French *communiqué* published in London on the 3rd February,[3] and in the Anglo-Franco-Italian resolution published at Stresa on the 14th April.[4] The particular obstacle which Italian diplomacy hoped to overcome at Venice was the reluctance of General Gömbös's Government to commit Hungary—at any rate under existing conditions—to a mutual assistance pact for Austria's benefit. At this time Hungary was unwilling to co-operate with the Little Entente, unwilling to undertake to come to Austria's help against Germany, determined to insist on her own right to rearm, and also determined to maintain her demand for a peaceful revision of the territorial chapter of the Trianon Treaty and her claim to a *locus standi* for vindicating the rights of the Magyar minorities which the peace settlement had placed under alien rule.[5] To what extent the Hungarian Government's views were reconciled with the Italian and Austrian Governments' at the meeting at Venice was not apparent from the conventional statement in the official *communiqué* that 'a perfect identity of views and aims' had 'been revealed'. But it may be conjectured that the recalcitrance of Hungary, as well as the recalcitrance of the Little Entente, was one of the obstacles that brought the project for a Danubian Pact to a standstill.

One of the weaknesses of the Austro-Italo-Hungarian group was the difficulty of finding Italian and Hungarian solutions for Austrian economic problems; but in June 1935 Austria was granted certain economic advantages by both Italy and Hungary over and above what had been provided for in the original agreement. Italy under-

[1] See *op. cit.*, p. 499.
[2] See the *Survey for 1935*, vol. i, pp. 107–8, and *n.*
[3] See *op. cit.*, vol. i, p. 122.
[4] See *op. cit.*, vol. i, p. 160.
[5] In a despatch dated the 3rd May, 1935, and published on the 4th, the Vienna correspondent of *The Manchester Guardian* acutely remarked that Hungary's distaste for the proposed Danubian Pact was analogous to Poland's distaste for the Eastern Pact.

took to increase her imports of Austrian goods, and Hungary to facilitate the patronage of Austrian tourist-resorts by Hungarian tourists. Before the close of the calendar year, both Austria and Hungary secured a peculiarly favourable position in the Italian market owing to their refusal to join in the sanctions which were being imposed against Italy by an overwhelming majority of the states members of the League of Nations; but the benefits of this special opportunity were offset by Italy's inability to make the transfers due on her increased purchases of Austrian and Hungarian commodities. Meanwhile, on the political side, the Three-Power Pact stood the strain of the conflict between Italy and the League; and the event did not belie a statement made by the Hungarian Prime Minister, General Gömbös, at a meeting of his Party of National Unity on the 12th August, 1935, when this international storm was brewing, that the pact of the 17th March, 1934, would remain the basis of Hungary's foreign policy. In the same speech, however, he reasserted his belief that the projected Danubian Conference could only prove a success if the Little Entente states accepted Hungary's demand for equality of rights; and he also expressed his conviction that 'the Central European problems in the Carpathian Basin' could 'not be solved without' Hungary's co-operation.

On the 3rd March, 1936, it was announced in Rome by Signor Mussolini that the Prime Ministers and Foreign Ministers of Austria and Hungary were to meet him in conference in that city on the 18th–20th of the month; the meeting actually took place on the 21st–23rd; and it resulted in the signature of three additional protocols to supplement those of the 17th March, 1934. The occasion of this meeting appears to have been another difference of view between Hungary and her two partners—this time over the question of the negotiation of a commercial treaty between Austria and Czechoslovakia to which Hungary was taking exception.[1] The terms of the

[1] This Austro-Czechoslovakian commercial treaty was signed on the 2nd April and came into force on the 1st August, 1936; but it was a mere fragment of a more ambitious scheme which had been set on foot by Dr. von Schuschnigg and Dr. Hodža for a revival, in a new form, of the abortive Danubian Pact of 1935 (see the *Survey for 1935*, vol. i, pp. 101–2, 107–8 and *n.*, 110 *seqq.*, 121 *seqq.*, 148, 149, 160, 168–9). This wider project appears to have been launched on the occasion of a visit which the Austrian Chancellor paid to Prague on the 16th–17th January. The Austrian and Czechoslovakian Governments hoped to weld together the Italo-Austro-Hungarian group and the Little Entente by an economic agreement which was to provide the basis for a subsequent political understanding; but this plan met with obstinate opposition not only from Hungary but also from Jugoslavia and from Germany. Hungary was still unwilling to co-operate with the Little Entente except on terms which had no chance of being accepted. Jugoslavia was ill-disposed

second paragraph of the second protocol of the 23rd March, 1936, indicate that on this point Hungary gave way. The three protocols ran as follows:

(1) The head of the Italian Government, the Federal Chancellor of Austria, and the President of the Council of Hungary having met together in Rome on the 23rd March, 1936, take note with satisfaction of the favourable results attained by the continuous collaboration of the three Governments for the maintenance of peace and for the economic readjustment of Europe; reaffirm solemnly their will to remain faithful to the political, economic, and cultural principles of the protocols of Rome of the 17th March, 1934; recognize it to be the interest of the three countries to harmonize their action to an ever greater extent, in all fields, with such ulterior developments as the European situation may permit, and decide to form themselves into a group and to create to this purpose a permanent organ of reciprocal consultation.

(2) Basing themselves on the purposes referred to in (1), the three Governments confirm anew their decision not to undertake any important political negotiation appertaining to the Danubian question with the Government of a third state without having previously established contact with the other two Governments with whom the protocols of Rome of the 17th March, 1934, were signed.

While the three Governments are completely in agreement on the utility of the development of their economic relations with other Danubian states, they recognize that for the moment such an intensification could only be brought into effect through bilateral agreements.

(3) The permanent organ of reciprocal consultation contemplated by (1) will be constituted by the Foreign Ministries of the three signatory states. This organ will assemble periodically and when the three Governments shall judge it opportune.

On the 16th September at Rome it was announced that, following up Signor Mussolini's and Count Ciano's recent conversations with the Austrian Under-Secretary of State for Foreign Affairs, Dr. Schmidt,[1] it had been arranged, after consultation with the Hun-

towards the scheme because she looked upon it as a proposal for asking the Little Entente to play Italy's game; and Jugoslavia regarded an Italian solution of the Austrian problem—at any rate if this solution were to involve a restoration of the Hapsburgs at Vienna—as something more objectionable than a German solution from the Jugoslav standpoint. Dr. Hodža failed to overcome the Jugoslav Government's opposition during a visit which he paid to Belgrade on the 22nd–23rd February, 1936. As for Germany, she disliked the whole idea for the same reasons that had set her against the foregoing plan for a Danubian Pact. If the Schuschnigg-Hodža plan succeeded, it would put a new and perhaps formidable obstacle in the way of both the political absorption of Austria and the economic penetration of South-Eastern Europe by 'the Third Reich'. The German opposition to the Austro-Czechoslovakian commercial treaty which was the sole fruit of Dr. Hodža's and Dr. von Schuschnigg's labours is touched upon below, on p. 449.

[1] Dr. Schmidt's visit of the 14th–17th September, 1936, to Rome is recorded below, on p. 443.

garian Government, that there should be a three-Power meeting of Foreign Ministers at Vienna. The ground seems to have been further prepared at Budapest on the 10th October, when Count Ciano and Dr. von Schuschnigg were attending the funeral of General Gömbös as the guests of his successor Monsieur Daranyi. On the 27th October it was announced that the Vienna Conference was to take place on the 11th–12th November; and this announcement sharpened the significance of the full-blooded championship of Hungarian aspirations by Signor Mussolini in a speech which he made at Milan on the 1st of that month.[1]

> Until justice is done to Hungary there can be no final co-ordination of interests in the Danubian Basin. Hungary is truly the great mutilated nation. Four millions of Hungarians live beyond its present frontiers. In trying to follow the dictates of a justice that was too abstract, another injustice, perhaps greater, was committed. The sentiments of the Italian people towards the Hungarian people are stamped with clear recognition—which for that matter is reciprocal—of its military qualities, its courage, and its spirit of sacrifice.
>
> There will perhaps very soon be a solemn opportunity in which these sentiments of the Italian people will find public and striking manifestation.

This gesture in favour of Hungary was followed immediately by an equally emphatic overture to Jugoslavia in the same discourse:

> In recent days the atmosphere between [Italy and Jugoslavia] has greatly improved. You will remember that two years ago, in this very square, I referred clearly to the possibility of establishing bonds of cordial friendship between the two countries. To-day I declare that the necessary conditions—moral, political, and economic—for putting these two countries on a new basis of real and concrete friendship are in existence.

The inference was that the Italian dictator contemplated securing the satisfaction of Hungarian claims exclusively at the expense of Czechoslovakia and Rumania; and the speech was thus interpreted by the Czechoslovakian Foreign Minister, Monsieur Krofta, in a statement which he made on the 3rd November in the Foreign Affairs Committee of the Chamber at Prague.

In anticipation of the Conference, Count Ciano arrived in Vienna on the 8th November. The Conference itself duly took place on the 11th–12th; and it was stated in the *communiqué* that the Italian and Hungarian Ministers had taken cognizance of the Austro-German

[1] For the references in Signor Mussolini's speech of the 1st November, 1936, to Italo-German relations, see p. 582, below; for the references to Italo-British relations, see pp. 655–6, below.

agreement of the 11th July,[1] and the Austrian and Hungarian Ministers cognizance of Count Ciano's recent conversations in Berlin.[2] On the question of Austrian and Hungarian rearmament, it was stated that

> The representatives of the three Governments have ascertained that they are all of the opinion that the point of view of the Austrian and Hungarian Governments with regard to equality of rights in the matter of armaments should be recognized as being well founded, and that this equality of rights is in accordance with a basic principle of justice. The three Governments will keep one another informed as to the realization of this principle.[3]

In the matter of the Italian conquest of Abyssinia it was stated that

> The Austrian Federal Chancellor and the Hungarian Minister for Foreign Affairs have informed the Italian Minister for Foreign Affairs—who assured them of the cordial satisfaction felt by the Italian Government—of the decision of their Governments to grant formal recognition to the Italian Empire of Ethiopia. The Italian Government will duly take into consideration the *desiderata* of the Austrian and Hungarian Governments as to the participation of their economic systems in the economic exploitation of Abyssinia.

Having spent some days in Vienna before the opening of the Conference, Count Ciano proceeded, after its close, to visit Budapest, where he stayed from the 13th November to the 16th. Upon his arrival—accompanied by his wife, who was Signor Mussolini's daughter—he was received in the Hungarian capital by crowds shouting 'Italy and Revision'; and the demonstrations continued throughout his stay.

This Hungarian enthusiasm for Hungary's Italian patrons might be disquieting for the statesmen and peoples of the Little Entente; but a detached observer would be inclined to reflect that it had been bestowed upon the Italian visitor on the strength of nothing more substantial than a studiously nebulous promise which had not yet been implemented by any measure of performance—and which indeed could hardly be acted upon, even to the most modest extent, without acute and instant risk of a general European conflagration. It was, in fact, a delicate task for Italian diplomacy to enlist Hungary's support for Italy's policy of fortifying Austria against Germany without in return committing Italy to undertakings, inimical to the Little Entente, on Hungary's behalf which the boldest Italian statesman might shrink from being called upon to honour. The Italo-Austro-Hungarian Entente was thus perhaps as precarious as the

[1] See pp. 450 *seqq.*, below.

[2] See pp. 581–2, below.

[3] For the reactions in the Little Entente countries to this declaration and to the antecedent reintroduction of compulsory service in Austria on the 1st April of the same year, see pp. 511–12, below.

Little Entente during the period under review.[1] It was a gesture which might well break down if ever it were to be put to the test of positive action; and in the years 1935 and 1936 the keeping up of this gesture did less to help Austria in holding her own against the Reich than Austria did for herself in concentrating and consolidating her own national strength under Dr. von Schuschnigg's auspices.[2]

Meanwhile, the existence of the three-Power group served as a certain incentive to each of the three parties to knit closer her relations with her two partners; and this process—which took place in the three fields of cultural and economic relations and personal visits between statesmen—deserves cursory consideration here.

As between Italy and Austria, a cultural agreement was signed in Rome on the 2nd February, 1935, by Signor Mussolini and Dr. Pernter, the Austrian Minister for Public Instruction, and this was followed on the 21st March of the same year by the opening of an Italian Cultural Institute at Vienna. For the rest, the outward show of Italo-Austrian amity was maintained by a succession of pilgrimages which were paid by Austrian statesmen to the Italian side of the Alps.[3] On the 18th April, 1935, for example, Prince Starhemberg was received at Rome, and on the 11th May Dr. von Schuschnigg at Florence, by Signor Mussolini. On the 19th February, 1936, Baron Berger-Waldenegg was received at Florence by Signor Suvich. On the 5th March, 1936, Prince Starhemberg was once again received by Signor Mussolini at Rome. On the 11th June he paid a flying visit, in the literal sense, to General Gömbös. And after the alarums and excursions across the Alps that followed the discomfiture of Prince Starhemberg and the triumph of Dr. von Schuschnigg on the Austrian home front in May and June 1936,[4] the series of pilgrimages was continued in a visit to Rome on the 14th–17th September on the part of Dr. Guido Schmidt, Dr. von Schuschnigg's Under-Secretary of State for Foreign Affairs. On the 15th Dr. Schmidt flew from Rome to Forlì with Count Ciano and had a meeting at Rocca delle Caminate with Signor Mussolini. On the 29th September, in Rome, Signor Mussolini received the Burgomaster of Vienna, Dr. Schmitz. And a party of some 400 officers (Amtswalter) of the Austrian Vaterländische Front, who arrived in Rome on the 3rd October, were

[1] For the symptoms of weakness in the Little Entente during this period, see pp. 503 *seqq.*, below.

[2] See pp. 412 *seqq.*, above.

[3] The visits paid by Prince Starhemberg and Dr. von Schuschnigg to Italy, in connexion with their own struggle for power with one another in 1936, have been recorded above (see pp. 432–5) and are therefore not mentioned in the series recorded in the present chapter.

[4] See pp. 427 *seqq.*, above.

given an audience by the Pope in the Vatican City on the 6th before returning home by way of Venice.

During the same period the parallel friendship between Italy and Hungary was receiving expression in corresponding ways. On the 14th February, 1935, a Hungarian cultural mission, headed by Dr. Hóman, the Hungarian Minister for Cults and Public Instruction, arrived in Rome; and an Italo-Hungarian cultural convention was signed in that city on the 16th. This first step at Rome was followed up on the 22nd February, 1936, by the opening of an Italian Cultural Institute at Budapest. On the economic plane, action was taken to develop not only Italo-Hungarian trade but also Hungary's trade in transit through the once Hungarian and now Italian port of Fiume. The 20th January, 1935, saw the publication in Rome of the text of an Italo-Hungarian convention, dealing with this latter question, which had been signed in Rome on the 18th November, 1934. On the 28th January, 1935, this convention was brought into force, and, in pursuance of it, a Hungarian customs house was opened at Fiume on the 23rd April. An Italo-Hungarian mixed commission of experts for the development of traffic through the port of Fiume was in session in November 1935 at Rome. An Italo-Hungarian wheat agreement was signed at Rome on the 4th July, 1936. On the political plane, the outstanding event of the period was the visit which was paid to Italy by the Regent of Hungary, Admiral Horthy, on the 24th–28th November, 1936. On both sides the visit was invested with that demonstrative character that had marked Count Bethlen's visit to Rome, in April 1927, for the formal inauguration of the Italo-Hungarian entente by the signature of the treaty of amity and arbitration of the 5th of that month.[1] The present visit of the Regent was clearly not so momentous as that of the veteran Hungarian Prime Minister had been nine years back, though Admiral Horthy was accompanied by his Prime Minister and Foreign Minister of the day; but the deficit in political significance was made up for in display; for, as the head of the Hungarian State, the Regent was received in Italy with royal honours, and he was treated to an imposing military review in Rome on the 25th and a naval review at Naples next day, while on the 27th the Regent and his wife and the two Ministers in attendance were given an audience in the Vatican City by the Pope.

Austro-Hungarian friendship was perhaps the most difficult of the three friendships to cultivate—at any rate so long as the policy of Hungary was being determined by General Gömbös: a Magyar states-

[1] See the *Survey for 1927*, pp. 159–60.

man who seemed almost as anxious to steer Hungary into Germany's orbit as Dr. von Schuschnigg was to keep Austria out of it. Apart from their personal and temporary discord in policy, there was also a striking contrast between the Austrian and the Hungarian national êthos; and this difference had been unpleasantly impressed upon both parties by a historic relationship which had been as uneasy as it had been intimate. This long political association had, however, bred a familiarity which not only survived the rupture of the political link but positively throve in an atmosphere which was no longer electrified by political friction; and during the years 1935 and 1936 the two Danubian remnant-states showed the same courtesies to one another that each of them was showing to Italy. For example, an Austro-Hungarian agreement for cultural collaboration was signed at Vienna on the 4th March, 1935; and distinguished visitors came and went between Vienna and Budapest. The Burgomaster of Vienna, Dr. Schmitz, was entertained at Budapest on the 4th–6th May, 1935. Major Fey was in Budapest on the 18th–20th June. On the 24th August, 1935, the Austrian Foreign Minister, Baron Berger-Waldenegg, paid a private visit to his colleague, the Hungarian Foreign Minister, Monsieur de Kanya, at the latter's country house on the shores of Lake Balaton. On the 27th September an Austrian delegation arrived in Budapest to carry on commercial negotiations. In September and October Prince Starhemberg spent three weeks hunting with Count F. Esterházy in the forest of Tata. On the 13th November the Austrian Minister for Public Instruction gave a lecture in Budapest. On the 28th–29th November the Hungarian Prime Minister, General Gömbös, and his Foreign Minister, Monsieur de Kanya, paid an official visit to Vienna as the Austrian Government's guests.

On the 9th December Dr. Buresch, who was at this time a Minister without portfolio in the Austrian Government, visited Budapest in the hope, apparently, of persuading the Hungarian Government to contemplate co-operation between Austria, Hungary and Czechoslovakia on the economic and perhaps even also on the political plane. On the 13th–16th March, 1936, on the eve of the Italo-Austro-Hungarian Conference which was to be held at Rome before the end of the month,[1] a visit was paid to Budapest by Dr. von Schuschnigg and Baron Berger-Waldenegg, and the business which brought the two Austrian statesmen to the Hungarian capital seems to have been the same as that of the Rome meeting itself and of Dr. Buresch's antecedent mission in the foregoing December. The fact that the

[1] See pp. 439–40, above.

Austrian Chancellor went on this mission in person, and took his Foreign Minister with him, gave the measure of the importance which he attached to the improvement of Austria's economic relations as a means of securing the preservation of her political independence.

On the 8th–9th July, 1936, the Austrian Vice-Chancellor, Baron Baar von Baarenfels, visited Budapest and conferred with members of the Hungarian Government. Officially the visit was no more than a formality. Its actual purpose may have been to give the Hungarian Government information about the Austro-German conversations in Vienna which at that moment were on the point of resulting in the conclusion of an agreement.[1] On the 20th–30th August the Regent of Hungary, Admiral Horthy, paid a visit to Austria. This was the Admiral's first journey abroad since his appointment to the Regency in 1920; and, though the official object of the Austrian Government's invitation was chamois-hunting in the Tirol, the august Hungarian visitor did not eschew all political pursuits on this Austrian holiday. At Vienna on the 21st he had a meeting with Dr. von Schuschnigg; and next day he slipped across the Austro-German frontier and back for a meeting with Herr Hitler at Berchtesgaden.[2] On the 26th–28th October the Austrian Under-Secretary of State for Foreign Affairs, Dr. Schmidt, visited Budapest to prepare the ground for the forthcoming Italo-Austro-Hungarian Conference which was to be held on the 11th–12th November in Vienna.[3] On the 29th–30th November Admiral Horthy paid another visit to Austria —this time on the way back from his visit to Italy;[4] and on this state occasion he was received at Vienna with some of the pomp that had just been displayed in his honour at Rome and at Naples. The political *rapprochement* between Hungary and Austria which followed the death of General Gömbös on the 6th October, 1936, will be recorded in the *Survey for 1937*.

(4) *Relations between Austria and Germany and the Conclusion of the Agreement of the 11th July, 1936.*

During the period under review the relations between Germany and Austria were a function (in the mathematical sense) of those between Germany and Italy. At the close of the year 1934 these two Great Powers were still at loggerheads on the issue of hegemony over the post-war successor states of the Hapsburg Monarchy, and at this stage post-war Austria was the point in this Italo-German field of

[1] See pp. 450 *seqq.*, below.
[2] See pp. 463–4, below.
[3] See pp. 441–2, above.
[4] See p. 444, above.

competition at which the tension was the most severe. At the close of the year 1936 Germany and Italy were working in concert with the ambitious common aim of making all Europe, and perhaps later the whole of the Old World, revolve obediently round 'the axis Rome-Berlin';[1] and the way for this striking reversal in the relations between Austria's two formidable neighbours[2] had been smoothed by the conclusion of the Austro-German agreement of the 11th July of that year. In entering into the antecedent negotiations, and in afterwards co-operating for the completion of the main agreement through the further negotiation of several corollaries, Dr. von Schuschnigg can have cherished no illusions. From first to last he must have been aware that he would never have obtained such terms from Herr Hitler, even temporarily, if he had had to face his compatriot dictator without an Italian backing which partly compensated for the disparity of strength between post-war Austria and 'the Third Reich'; and he must therefore have realized that a relief for which he was indebted to Germany's desire for an *entente* with Italy could not be expected to last any longer than this possibly precarious German-Italian comradeship.

With this preface we may proceed to trace the course of Austro-German relations during the years 1935 and 1936.

The turn of the years 1934 and 1935 saw Austro-German relations still lying under the shadow of the abortive *Putsch* of the 25th July, 1934. Verbal hostilities were still being carried on across the frontier, while on the Austrian side of it the campaign of terrorism, conducted by Austrian Nazis with Reichsdeutsch support, was still being kept up,[3] though no longer at the high pressure which had culminated in the violent explosion of the preceding summer. On the 12th March, 1935, the Austrian Government protested through their Minister in Berlin against references to Austro-German relations which had been made by Herr Hitler during his triumphal tour in the Saargebiet—first in a speech delivered at Saarbrücken on the 1st March and then again in a conversation with Major Hennessy, the commandant of the international police force in the Saar territory, as reported in *The Sunday Dispatch* of the 3rd March.[4] In these utterances, Herr Hitler

[1] The phrase was brought into general currency by Signor Mussolini in a speech delivered at Milan on the 1st November, 1936, but it had been coined by General Gömbös in a speech in the Upper Chamber at Budapest on the 20th June, 1934, a few days after the meeting between Signor Mussolini and Herr Hitler at Venice on the 14th–15th June, 1934.

[2] This *rapprochement* between Germany and Italy is dealt with in section (vii) of this part of the present volume. [3] See pp. 417–18, above.

[4] In commenting on this feature of *The Sunday Dispatch* of the 3rd March, 1935, the official German news agency denied that Herr Hitler had given

was credited with having made a comparison between the sufferings of the Nazis in Austria under the Vaterländische Front régime and those of the Memellanders under Lithuanian rule, and also with having hazarded the prophecy that one day blood would prove more potent than ink in Austria as it had proved in the Saargebiet already. Offence was also given to Austrian feelings by a speech which Herr von Papen, the German Minister at Vienna, made on the 15th March, 1935, to the German Chamber of Commerce in that city; for in this speech Herr von Papen was reported not only to have instituted an unfavourable comparison between Austria's economic dealings with Germany and her dealings with Czechoslovakia and Poland, but to have gone on to threaten Austria with German reprisals if she did not change her economic policy towards Germany 'from one of hostility to one of equity'. On the 21st May, 1935, in his speech in the Reichstag at Berlin, Herr Hitler declared that Germany neither intended nor wished 'to interfere in the internal affairs of Austria, to annex Austria, or to conclude an *Anschluss*', but that the German people and Government had 'a very comprehensible desire that the right to self-determination should be guaranteed, not only for foreign nations but to the German people everywhere'. These references to Austria were answered by Dr. von Schuschnigg in the Bundestag at Vienna on the 29th May in terms in which firmness was combined with conciliatoriness. Thereafter Herr von Papen appears to have set himself to improve Austro-German relations in the belief that Germany's prospects in Austria were likely to grow brighter under the glare of the impending international crisis over the Italo-Abyssinian dispute. But in August these prospects were obscured by the smoke of a new verbal bombardment of Austria by the *Völkische Beobachter* and other organs of the Reichsdeutsch Nazi press. On the 3rd August, 1935, Herr von Papen paid a visit to Herr Hitler at Berchtesgaden; but, whatever business may have been transacted on this occasion, the outcome was not peace. On the 16th August, at Vienna, Prince Starhemberg issued an order, in his capacity as Austrian National Sport Leader, for the suspension of all sporting relations between Austria and Germany on account of the German press campaign. Nevertheless, Herr von Papen continued to work for an improvement in the situation, and on the 29th August a press truce was commended in official statements that were published simultaneously in Vienna and in Berlin. A shooting

Major Hennessy any interview, in the technical sense, for publication, but had at the same time certified as authentic the particular passage to which the Austrian Government took objection.

incident on the Austro-German frontier on the 15th September, 1935, in which an Austrian citizen was wounded, did not prevent Herr von Papen from securing acquiescence in Vienna, as well as authority from Berlin, at the beginning of October, for the opening of informal discussions of the *détente* which he was concerned to bring about; and although these discussions were referred to in rather stiff and forbidding terms by the Austrian Minister for Propaganda, Colonel Adam, in a broadcast statement on the 11th October, it might be conjectured that some progress had been achieved by the time when it was announced, on the 18th October, that there was to be an exchange of musical programmes between the Austrian and German broadcasting services. On the 21st October Herr von Papen left Vienna by air; and after three days of mystery regarding his whereabouts it was announced on the 24th that he had just arrived in Berlin, where Herr Hitler was at that moment in residence. Herr von Papen returned to Vienna on the 26th October; but he paid at least two more visits to Germany before the end of the calendar year, leaving Vienna on the 29th November for Oppeln and making another journey to Berlin in the third week in December for a further conference with Herr Hitler.

On the eve of the New Year Austro-German relations appeared to be balancing precariously between improvement and relapse. On the 28th October, 1935, the Austrian Government forbade the sale in the streets of an anti-Hitlerian newspaper, *Das Neue Tagebuch*, which was edited by a Reichsdeutsch *emigré*. On the other hand, the *Reichspost* of the 30th December, 1935, took Herr Hess to task for a reference, in an address broadcast on Christmas Eve, to the sufferings of Germans in Austria on account of their political faith. In the spring of 1936 Austro-German relations were indirectly affected by Herr Hitler's military reoccupation of the Rhineland; for while Austrian minds experienced a feeling of momentary relief at seeing the Reichswehr march westward instead of south-eastward, this relief was tempered by an anxiety at the thought that the success of one *coup* might tempt the Austrian dictator of Germany to attempt another in a different quarter. In April 1936 the German Government were insisting on their right to most-favoured-nation treatment in respect of an Austro-Czechoslovakian commercial treaty which had been recently negotiated, and which was to come into force on the 1st July.[1] At the end of April 1936 there was a fresh crop of rumours of an impending raid from Germany into Austria. It will

[1] See p. 439, footnote 1, above. The coming into force of the treaty was postponed until the 1st August.

be seen that the omens were not particularly favourable for the Austro-German agreement which was actually achieved some three months later.

In the event, the harvest of Herr von Papen's long-sustained labours in the cause of reconciliation ripened very suddenly.[1] The rumour that serious negotiations for an Austro-German settlement were afoot became current only a few days before it was corroborated by the simultaneous publication in Vienna and in Berlin on the 11th July, 1936, of the following *communiqué*:

> In the conviction that they are making a valuable contribution to the general developments in Europe for the maintenance of peace, and in the belief that they are acting to the best advantage of the various mutual interests of the two German states, the Governments of the Austrian Federal State and the German Reich have decided to renew normal and friendly relations with one another and to that end have drawn up the following statement:
>
> (1) Following on the declarations made by the Führer and Chancellor on the 21st May, 1935, the Government of the German Reich recognizes the full sovereignty of the Austrian Federal State.
>
> (2) Each of the two Governments considers the internal political structure of the other country, including the question of Austrian National Socialism, as part of the internal affairs of that country, over which they will exercise no influence, whether directly or indirectly.
>
> (3) The policy of the Austrian Federal Government, both in general and towards the German Reich in particular, shall always be based on principles which correspond to the fact that Austria has acknowledged herself to be a German state. This will not affect the Rome Protocols of 1934 and the supplementary agreements of 1936, or the position of Austria in relation to Italy and Hungary as her partners in these protocols.
>
> Considering that the relief of tension which is desired by both parties can only be brought about if certain conditions are established by the Governments of both states, the Austrian Federal Government and the Government of the Reich will put a series of measures into effect with a view to providing these conditions.

This *communiqué* was confirmed the same evening by Dr. von Schuschnigg in a broadcast address and it was followed up by two exchanges of telegrams: one between Dr. von Schuschnigg and Herr

[1] As recently as the occasion of the signature in Rome of the Italo-Austro-Hungarian supplementary protocols of the 23rd March, 1936 (see pp. 439–40, above), Dr. von Schuschnigg is reported to have been sounded—on behalf of the Italian Government, who by that time were already inclining towards an entente with Germany—as to whether he would be willing to enter into a bilateral Austro-German pact with Herr Hitler. Dr. von Schuschnigg's answer on this occasion is said to have been in the negative, on the ground that the two parties were so unequal in size and strength that the proposed pact would be unlikely to prove satisfactory to the weaker signatory.

Hitler and another between Dr. von Schuschnigg and Signor Mussolini. The Austrian Chancellor telegraphed to the German Chancellor:

> The conclusion of this agreement, the aim of which is to restore neighbourly relations between the two German states, affords me the welcome opportunity to greet your Excellency as Führer and Chancellor of the Reich, and, at the same time, to give expression to the conviction that the effect of this treaty will bring profit to Austria and the German Reich and thus prove a blessing to the entire German people. I believe myself to be of one mind with your Excellency that, beyond this, we have by the agreement between the two states rendered valuable service to the general peace.

Herr Hitler telegraphed to Dr. von Schuschnigg in reply:

> The greetings which your Excellency has transmitted to me on the occasion of the conclusion to-day of the Austro-German agreement are reciprocated sincerely. I join to it the wish that by this agreement the traditional relations resulting from a community of race and historic identity through hundreds of years may again be restored, in order to clear the way for a further common task to the advantage of the German people and for the consolidation of the peace of Europe.

Dr. von Schuschnigg telegraphed to Signor Mussolini:

> I am happy to communicate to your Excellency that I have just signed with the German Minister, duly authorized by the Führer, an accord destined to render the relations between Austria and Germany normal and friendly. I recall with joy the repeated conversations which I had with your Excellency at Rocca delle Caminate. I am convinced that your Excellency will agree with me in being satisfied at the accord, which aims at presenting a new and efficacious contribution to the work of peace. I desire to take this occasion of assuring your Excellency of my sincere friendship and of my firm desire to proceed in future in full accord with your Excellency on the basis of the Protocols of Rome.

Signor Mussolini telegraphed to Dr. von Schuschnigg in reply:

> I thank your Excellency for your courteous telegram. The agreement which your Excellency has signed with the representative of the Führer must be greeted with satisfaction by all those who have at heart the cause of peace. It marks a notable step forward on the way of European reconstruction, and it is in this spirit—as you will remember—that the question was discussed at the meeting at Rocca delle Caminate and later examined on the basis of the Italo-Austro-Hungarian accord. I am especially glad to exchange with you assurances of perfect friendship between Italy and the Federal Government, in conformity with the Rome Protocols, which continue to be the basis of the relations between Italy and Austria.

There was a corresponding exchange of telegrams between Dr. von Schuschnigg and General Gömbös on the 13th.

These published documents indicated that the agreement was satisfactory to Signor Mussolini and to General Gömbös as well as

to Herr Hitler and to Dr. von Schuschnigg. Indeed, Signor Mussolini afterwards declared, in his Milan speech of the 1st November, 1936, that 'the agreements of the 11th July were known and approved by' him 'as early as the 5th June'. The text of the diplomatic instrument in which the terms of the agreement had been embodied was withheld from publication; and on this account the Austrian Government seem to have felt some anxiety lest they should be supposed to have made greater concessions to Herr Hitler's desiderata than they had actually granted.

This anxiety can be read between the lines of the information which was given to the foreign press in Vienna on the 11th July itself, and of a *communiqué* which was issued in London next day by the Austrian Minister at the Court of St. James's. According to the statements made in Vienna the Vaterländische Front would continue to be the sole political institution tolerated in the country. The amnesty, announced by the Chancellor in his broadcast address, would not on any account extend to people who had been convicted of common crimes. Civil servants who had been punished for political offences must not expect reinstatement. Negotiations for the return home of Austrian emigrés would be initiated; but Austrian fugitives to Germany who had been deprived of their Austrian citizenship, and those who were 'wanted' on capital charges, could not look forward to returning home. Notice was also drawn to a new Austrian law for the defence of the state, promulgated the day before, which made it clear that illegal propaganda for political parties would entail the energetic prosecution of those engaging in it. Propaganda for the *Anschluss* would not be tolerated. In regard to tourists, it was made known that no precise agreement had yet been reached. The German state symbol, the Swastika, on flags and badges, would in future be displayed only to the extent laid down in the regulations. Austrian citizens might not display it. The circulation in Austria of certain Reich newspapers was contemplated, but reciprocity would be observed and attention given to the question whether or not the spirit underlying the new agreement was being violated. The Deutschland Lied, the Horst-Wessel Song, and others would continue to be forbidden in Austria, though they might be sung by Reichsdeutsch residents at entertainments given by them for their countrymen alone. Both countries were to refrain from all aggressive uses of the wireless, films, news services, and the theatre. The Austrian Chancellor would invite persons enjoying his confidence to collaborate with him and share in political responsibility. The German Government were, it was announced, quite prepared to

restore normal economic relations with Austria. These, it was declared in the Vienna *communiqué* of the 11th July, were the principal points that had come up so far in the discussion between the two Governments, and Baron Franckenstein's London *communiqué* of the 12th was to the same effect.

The statement that Dr. von Schuschnigg proposed to make certain additions to his Cabinet referred to two appointments which were expected to be agreeable to Herr Hitler without being embarrassing to Dr. von Schuschnigg and President Miklas. Dr. Guido Schmidt, who had been Vice-Director of President Miklas's Cabinet, was now appointed Secretary of State to assist the Chancellor, who was also Foreign Minister, in the conduct of Austria's foreign relations; and Dr. Glaise-Horstenau, who was Director of the Austrian War Archives, was appointed Minister without Portfolio.[1]

On the face of it, the Austro-German agreement of the 11th July, 1936, represented a remarkable abatement of Herr Hitler's demands at Austria's expense, and a proportionately remarkable diplomatic triumph for Dr. von Schuschnigg and his patron Signor Mussolini. Yet the present significance and future effect of the agreement were hard to gauge—perhaps even for the statesmen who were its authors. On the one side Herr Hitler was known at this time to take the view that he need not bother about Austria because she was a fruit that was bound to fall into his mouth sooner or later in any event; and on the other side Dr. von Schuschnigg and Signor Mussolini could not be sure that Herr Hitler was not right in believing that time would tell in his favour—though it was difficult to see what they could do about it, since they had no magic to compel the sun to stand still over Berchtesgaden. It might, in fact, turn out that the National-Socialist movement stood a better chance of making progress in Austria by the tactics of peaceful penetration in an atmosphere of tranquillity and mutual good-will than it had stood so long as the Nazi campaign of violence and intimidation was perpetually grating upon Austrian feelings and evoking all those elements in the Austrian 'folk-consciousness' that were inimical to a sense of solidarity between Austria and 'the Third Reich'. During the past

[1] For Dr. Glaise-Horstenau's subsequent appointment to the Ministry of the Interior on the 3rd November, 1936, see p. 436, footnote 2, above. The history of the rise and fall of Herr Neustädter-Stürmer, who on the 3rd November, 1936, was appointed Minister for Public Security, but was compelled by Dr. von Schuschnigg to resign on the 20th March, 1937, showed that Dr. von Schuschnigg was still master in his own house, and that he was determined to see to it that the new Nazi infusion in his Government should not succeed in leavening the lump.

three years of conflict most Austrians had been torn in two between an ancient and inextinguishable awareness of the call of a common *Deutschtum* and an invincible repugnance to the methods and ideology of National Socialism—an originally Austrian product which was abhorred with equal intensity, though for different reasons, by Austrian Catholics and Austrian Social Democrats. The agreement of the 11th July, 1936, was attractive to Austrian minds because it seemed to offer a means of composing this painful conflict of allegiances.[1] It remained, however, to be seen whether the adjustment would take the form of a compromise or whether it would consist in a tacit and peaceful, yet perhaps just on that account all the more overwhelming, victory of *Deutschtum* over the other ideals which had hitherto been not less important ingredients of the Austrian êthos.

The agreement of the 11th July provided, according to the account of it in the joint *communiqué*, that the policy of the Austrian Government, 'both in general and towards the German Reich in particular', should 'always be based on principles which correspond to the fact that Austria has acknowledged herself to be a German state'. And although this last formula had long since been heard on the lips of Austrian statesmen who had been no more favourably disposed to the idea of an *Anschluss* than was Dr. von Schuschnigg himself,[2] the repetition of the phrase in its new context seems to have exercised Dr. von Schuschnigg to some extent, to judge by the amount of attention that he devoted to it on the 11th July in his broadcast address announcing that the agreement had been concluded. In this address he covered himself by quoting three texts from speeches of Dr. Dollfuss in which the acknowledgment of Austria's *Deutschtum* had been anticipated—and this in emphatic language—by the founder of the Vaterländische Front; yet even the authority of the Christian Social martyr could not dispose of the question how an acknowledgment of the *Deutschtum* of Austria was to be reconciled with that belief in her distinctive and unique personality as a thing-in-herself which was the first article of the Vaterländisch political faith.

This miracle of harmonization was, nevertheless, assumed by two notable commentators to have been in fact accomplished. In an

[1] In a similar way, the Lateran Agreements of the 11th February, 1929, had been attractive to Italian minds because they had seemed to offer a means of composing a conflict between patriotic *Italianità* and devout Catholicity, by which many millions of Italian souls had been torn in two ever since Pope Pius IX had fallen foul of the Risorgimento in 1849 (see the *Survey for 1929*, Part V, section (i)).

[2] The phrase seems actually to have been coined by Dr. von Schuschnigg's predecessor Mgr. Seipel, who had been Chancellor of the Austrian Federal state from 1922 to 1924, and again from 1927 to 1929.

article which was published in the *Popolo d'Italia* on the 14th July, 1936, and was attributed to the pen of Signor Mussolini, the conclusion of the Austro-German agreement was taken as evidence that 'the two German states' had 'restored their relations with each other to normality'; and the writer went on to proclaim that the controversy which had divided Italy and Germany was now surmounted, and that 'the horizon' was 'particularly clear in the great central zone comprising Germany, Austria, Hungary, and Italy'. Again, in a message published in the *Reichspost* of the 16th July, Cardinal Innitzer declared that

> The unholy family quarrel which has inflicted such deep wounds and has split and rent the German people internally at the very time when it was being subjected to pressure from outside, has now been removed in an astonishing way in an hour when the fate of Europe has been in the balance and when the preservation of peace in the family of the Western peoples has seemed once again to be seriously in jeopardy. The heart-beats of the German people in Austria disclose an upright and honourable joy at this act of peace.[1]

More guarded language than this was used by Dr. von Schuschnigg in an interview published in the *Giornale d'Italia* of the 15th–16th July, and in another published in *The New York Times* of the 17th; and between the 11th July and these latter dates the Austrian Chancellor had also taken the opportunity of a private visit which Dr. Hodža was paying to Vienna in order to confer with the Czech statesman—a courtesy, or precaution, which indicated that, in Dr. von Schuschnigg's view, the new Austro-German agreement could hardly be expected to solve all Austrian problems.

Meanwhile both the two German Governments bent themselves to the task of completing their political agreement by the negotiation of its corollaries. On the 27th July, at Berlin, negotiations began for a settlement of trade and travel questions between the two German countries, and agreements on these two subjects were initialed on the 12th August, while on the 13th at Vienna it was announced that the Austro-German broadcasting war, which had been going on for some three years, was to come to an end on the 16th.[2] The gist of the

[1] In this context it is perhaps apposite to recall that Cardinal Innitzer was by origin a Bohemian, and that the Germans of Bohemia and Moravia, like those of Styria and Carinthia, were more prone to Pan-Germanism than the Germans of Upper or Lower Austria, because they were in direct contact with a Slavonic population against which they might perhaps find themselves unable to hold their own if they were left to their own resources, without being able to draw upon the strength of the German people as a whole, regardless of the lines of division between German and German which had been drawn by the historic frontiers between state and state.

[2] The preliminary peace-move that had been made in October 1935 has been mentioned on p. 449, above.

travel agreement was that the Reich Government should abolish the thousand-mark tax hitherto payable by citizens of the Reich on visas for Austria,[1] while the Austrian Government should abolish the existing restrictions upon the freedom of Austrian citizens to travel in the Reich. This agreement, after having been initialed on the 12th August, was duly signed on the 26th; but Austria's hopes of obtaining any substantial benefit dwindled when, on the 27th, which was the day before the abolition of the German visa fee was to take effect, it was announced in Berlin that for the time being the amount of money which a German citizen travelling in Austria would be allowed to take with him would be restricted to a maximum of Rm. 250 a month.

On the 19th–21st November, 1936, a visit to Berlin was paid by Dr. Guido Schmidt, whose appointment to a ministerial post at Vienna had been one of the accompaniments of the agreement of the 11th July;[2] and, before his departure, the Austrian visitor gave an interview to the *Deutsches Nachrichten Bureau* in which he spoke in glowing terms of the welcome which he had received in Berlin and of the prospects of Austro-German friendship. A *communiqué* which had been issued already on the 20th announced an agreement between the visitor and his hosts that the extension of trade relations between the Reich and Austria should be taken in hand without delay with a view to increasing considerably the range of the commercial relations between the two countries; and it was added that the question of financing the Reichsdeutsch tourist-traffic for winter sports in Austria had been elucidated; but the *communiqué* made no mention of a proposal, which was believed to be the essence of the new plan as this was envisaged by the Berlin Government, that the Reich should take the rearmament of Austria in hand in payment for imports from Austria into the Reich. The new trade negotiations were duly opened at Vienna in the middle of December; but no result had been achieved by the time when the Reich delegation went home for the Christmas holidays; and the negotiators had not met again before the close of the calendar year.

(5) *Relations between Hungary and Germany*

To complete our survey of the situation in which Austria and Hungary found themselves between Italy and Germany during the years 1935 and 1936, some account must be given of the relations between Hungary and Germany during the period under review.

[1] The imposition of this tax on the 1st June, 1933, has been recorded in the *Survey for 1934*, pp. 425 and 439.

[2] See p. 453, above.

The eventual character of these relations was one of the most obscure, and at the same time also one of the most important, of the many pending questions in the problem of South-Eastern Europe. If Hungary were to throw in her lot with Germany, this reinforcement of the Reich at a key-point in the rear of Austria and Czechoslovakia and at the heart of the Danube Basin might enable Herr Hitler to win far-reaching successes. With Hungarian support he might find himself able to crush Czechoslovakia, swallow Austria, oust Italy from her Austro-Hungarian sphere of influence, create that Mitteleuropa under German hegemony which had been the dream of Dr. Naumann,[1] and then, as his culminating move, work this German-made and German-controlled Mitteleuropa as a lever for raising Germany to a position of ascendancy over the whole of Europe and perhaps even over the whole of the Old World. On the other hand, the very fact that a German-Hungarian partnership in aggression promised to bring such vast political prizes within Germany's reach made the cooler heads in Hungary hesitate to enter into a Hungaro-German bargain in which an overwhelming German ascendancy might prove to be the price for a no more than partial satisfaction of the Hungarian desire for a restoration of Hungary's political *status quo ante bellum*.

It was true that this desire was still being cherished by Magyars of all parties with little apparent abatement of zeal; and it was also true that—notwithstanding the ovation given to Count Ciano at Budapest in November 1936[2]—many Magyar irredentists were becoming sceptical of Italy's power to translate into action the brave but nebulous words which Signor Mussolini had been uttering from time to time[3] in favour of a revision of the Peace Treaty of Trianon. Yet even if Germany were to prove physically able to perform for Hungary what Italy had only tentatively promised to her, it remained unlikely that German statesmanship would be willing to fulfil the full demands of Hungary at the expense of all the successor states of the pre-war Crown of St. Stephen. If the German lion were one day to strike and kill Czechoslovakia, he might perhaps be persuaded to toss the Slovakian portion of his slaughtered prey to a Magyar jackal-in-attendance. But was he likely to promise Hungary any

[1] For the scheme put forward by Dr. Naumann during the General War of 1914–18 see Fr. Naumann: *Mitteleuropa* (Berlin, 1915, Reimer); English translation: *Central Europe* (London, 1916, P. S. King).

[2] See p. 442, above.

[3] See the *Survey for 1927*, p. 159; the *Survey for 1928*, p. 152; the *Survey for 1930*, pp. 18, 19–20; the *Survey for 1931*, p. 127; the *Survey for 1934*, pp. 329, 330; the present volume, p. 441, above.

corresponding restitutions of territory at either Rumania's or Jugoslavia's expense? Would he not rather seek to dissuade these two latter states from coming to Czechoslovakia's assistance by assuring them in advance that a German victory over Czechoslovakia, even if won with Hungary's assistance, would carry with it no threat to either Rumania's or Jugoslavia's territorial integrity? And might not such a German guarantee be eagerly accepted by these two states as a good exchange for the Statute of the Little Entente? In fact, would not Jugoslavia and Rumania—whose raw materials might be traded, to mutual advantage, against Germany's manufactures[1]—be likely to obtain admittance into the circle of Germany's clients on terms quite as favourable as those that Germany would be prepared to grant to Hungary herself? And, for Hungary, would the reacquisition of Slovakia really be worth the price of sinking into this relation of clientage to a Greater Germany and at the same time forfeiting once for all any hope of reacquiring any of the ex-Hungarian territories that had passed into the possession of Rumania and Jugoslavia? In the constellation of forces that would result from the extinction of Czechoslovakia, Hungary would be likely to find herself drawn still more imperiously than either of her two surviving successor states into the orbit of a Greater Germany who would then march with Hungary in an irretrievably lost Burgenland and perhaps in Moravia as well. For Magyar politicians these were sobering thoughts; and while, in face of a formidably resurgent German military power, Hungary might, and did, flinch from committing herself to crossing Germany's path in the event of a German act of aggression against Austria[2]—just as Rumania and Jugoslavia flinched from committing themselves to fighting Germany on behalf of Czechoslovakia[3]—this did not mean that the Hungarian Government and people were prepared to go to the opposite extreme of taking up arms, not against Germany, but in alliance with her.

It will be seen that the problem of Hungaro-German relations was difficult and delicate for both parties. Neither party could look forward to obtaining what she wanted from the other without being asked to pay a price which she would regard as prohibitive. And the situation was still further complicated by certain features of Hungary's domestic life at this time. The possibilities of building up a Hungaro-German entente on the cultural plane were limited by a traditional hostility of Magyardom towards *Deutschtum* which was a

[1] For the economic relations at this time between Germany and the South-East European countries, see section (iv) (*d*), below.

[2] See p. 438, above.

[3] See p. 505, below.

legacy of the Hapsburg age. The possibilities of economic co-operation—which had been the backbone of Naumann's classic design for a Mitteleuropa—were limited by the clash between Hungary's ambition to turn herself into a self-sufficient country, equipped with native industries that would be adequate to her national requirements, and Germany's need to secure an agrarian hinterland which would provide a market for German manufactures as well as a source of supply of those imports of foodstuffs and raw materials with which Germany could not dispense.[1] In the third place, the possibilities of political co-operation between Germany and Hungary were limited by the existence, in Hungary at this time, of a German minority[2] and a Magyar National-Socialist movement.

This German minority, which was no less than 478,000 strong, was actually the most important non-Magyar element in the population of Hungary within her post-war frontiers;[3] and, while it was relatively prosperous and well treated by comparison either with the Slovaks and Rumans in Hungary before the War of 1914–18 or with the Germans in Czechoslovakia after it,[4] this German minority in Hungary had almost automatically come to be the principal target of a still militant Magyar chauvinism since the liberation of the ex-Hungarian Slovaks, Rumans and Jugoslavs. In consequence, the German minority in Hungary—or at any rate the younger generation of Hungarian Germans—had become, paradoxically, more prone to Pan-Germanism than it had been in the pre-war age when this German diasporà in Hungary had been associated politically with the German population in Austria through the structure of the Dual

[1] In the Chamber of Deputies at Budapest on the 11th March, 1936, there was a stormy debate on the subject of Hungaro-German economic relations. Hungary, as well as Bulgaria and the states members of the Little Entente, was included in Dr. Schacht's grandiose scheme of German economic imperialism in South-Eastern Europe (see section (iv) (*d*), below); and the Hungarian revolt against the prospect of being reduced to the status of a German 'colony' was more vehement than that of any other of the South-East European countries because Hungary's own policy of industrialization was both older and further advanced than theirs.

[2] The following account of the position and attitude of the German minority in post-war Hungary is based on C. A. Macartney: *Hungary and her Successors* (London, 1937, Oxford University Press). See also an article in *The Times*, 29th May, 1935; and another in *The Slavonic Review*, vol. xv, No. 45 (April 1937).

[3] It was indeed the only remaining non-Magyar minority of any appreciable size apart from a residual Slovak minority numbering about 104,000 persons.

[4] In the early summer of 1937 the writer of this *Survey* visited two of the German villages in the neighbourhood of Budapest—Buda Örs and Soroksar—as well as the German districts of North-Western Bohemia from Teplitz to Eger inclusive.

Monarchy; and the advent of Herr Hitler to power in the Reich had therefore produced the same exhilarating and unsettling effect upon the Germans in Hungary as upon those in Czechoslovakia, Rumania and Jugoslavia. Thus while Hungary remained as much at variance as ever with all three of the Little Entente states over the question of *Ungheria Irredenta*, she found herself in the same boat with them when the waters of the Danube Basin began to be troubled by Herr Hitler's assertion of a claim that the German populations which had been left outside the frontiers of the Reich in the peace settlement of 1919–21 should be incorporated into the Reich wherever this was geographically possible and protected by the Reich in all regions where the Auslandsdeutsche were too distant or too thinly scattered to be gathered into even a Greater Germany's bosom. The German minority in Hungary was not compact, but on the other hand it was not remote from Germany's potential eastern frontier; and its existence was an awkward feature in Hungaro-German relations during the period under review.

No less awkward was the existence of a Magyar National-Socialist movement; for this opened up a possibility that Germany might obtain a hold upon Hungary by helping into the saddle at Budapest a faction which would have little hope of either gaining control or retaining it without the support of a foreign Power in which the ruling element was of the ambitious native faction's own ideological colour.[1] 'The Arrow Cross' in Hungary, like 'the Iron Guard' in Rumania, was a potential instrument for the aggrandizement of 'the Third Reich'.

These were the main considerations that, between them, governed the course of Hungaro-German relations during the years 1935 and 1936; and it will be seen that in every field—the cultural, the economic and the political alike—Hungary found herself in a dual relation to 'the Third Reich'. On the one hand she was drawn towards Nazi Germany by the bond of being, like her, an ex-defeated Power who was determined to recapture her pre-war position—if necessary by force. But on the other hand Hungary was not less perilously exposed than were her local adversaries, the post-war successor states of the Crown of St. Stephen, to the risk of becoming a victim of a resurgent Germany's imperialism. We have now to trace the direction which the course of Hungaro-German relations actually took within this period. On the whole, these two years saw the relations between the two countries grow less friendly; and in this process of

[1] The use of ideologies as instruments of national policies at this time has been discussed on pp. 32 *seqq.*, above.

deterioration two landmarks stand out: first the death of the Prime Minister of Hungary, General Gömbös, on the 6th October, 1936, and second the publication in the *Völkische Beobachter*, on the 15th November of the same year, of an article,[1] signed by Herr Rosenberg and perhaps inspired by Herr Hitler,[2] which confirmed the Magyars' worst prognostications of the attitude of 'the Third Reich' towards Hungary's territorial demands.

In the following narrative it will be convenient to deal first with the personal policy of General Gömbös and with the exchanges of visits between Hungarian and German statesmen in which that policy found expression; and in the second place to examine the impediments that were placed in the way of a Hungaro-German *rapprochement* by the existence of the German minority and the Magyar Nazi movement within the Hungarian frontiers.

If exchanges of visits were to be taken at their face value as pledges of friendship, the advocates of a Hungaro-German *rapprochement* had no cause for despondency during the years in question—at any rate so long as the determination of Hungary's policy continued to lie with General Gömbös, a Magyar statesman who had the reputation of being both pro-German and anti-Hapsburg.[3] General Gömbös lived up to this reputation in a speech which he delivered in the Chamber of Deputies at Budapest on the 28th May, 1935; for, while he took care to reaffirm that the paramount consideration in the foreign policy of Hungary was her orientation towards Italy, he extolled Herr Hitler's speech of the 21st May[4] as 'the most interesting event of the past few days in the field of international affairs'; asserted that 'the World' would 'no longer dispute Germany's claim to have performed the public service of having barred the way against the advance of Bolshevism into the European West'; and put forward, in the following emphatic language, one Hungarian view of the position and prospects of 'the Third Reich' on the European chess-board.

> In the centre of these moves stands Germany, a country of whom little was heard here as long as it was under a liberal régime; but, since

[1] See the passage quoted on pp. 468–9, below.

[2] Herr Hitler was reported subsequently to have declared to a party of Rumanian ex-service men who were visiting Berlin that the article had been written at his own suggestion. This story was published in the Polish, in the Rumanian, and finally in the Hungarian press without evoking any German *démenti*.

[3] See the *Survey for 1934*, pp. 492 and 496, and the present volume, p. 509.

[4] See the *Survey for 1935*, vol. i, Part I, section (vi) (*h*), and the present volume, p. 448, above.

the beginning of the national renascence in the Reich, it has been discussed to an extraordinary extent, particularly in Hungary, for, as the whole world now recognizes, it has succeeded in organizing 75,000,000 Germans in a form which only admits the expression of a single will. The will that has been organized in this way can no longer be left out of consideration. I am particularly pleased that Mr. Turi from the Opposition side has also drawn attention to this circumstance.

In laying down what the foreign policy of Hungary ought to be, General Gömbös on the same occasion quoted with the same approval, from the mouth of the same deputy, a prophetic phrase—'the Rome-Berlin axis'—which appears to have been coined, twelve months earlier, by General Gömbös himself,[1] and which was to become historic when, eighteen months later, it was adopted by Signor Mussolini in a speech delivered at Milan on the 1st November, 1936.[2]

It is not for us to announce or to carry out important political theories. We have not enough power or strength or position for that. But we can support every attempt to further the interests not only of Hungary but of the whole of Central Europe. I am glad that my friend Deputy Turi mentioned one of my theories, the Rome-Berlin axis, which has been referred to by the Opposition as already exploded. The shaping of Europe's destiny will be influenced by more powerful factors than ourselves. We cannot run after fixed ideas, but we can make use of sober discernment, and it is this which prompts me to say that obstacles to agreement on the north–south line have lessened and that it is only the Austrian question, as has been stated by both the *Führer* and the *Duce*, which to-day divides these two powerful nations. . . .

To sum up. I believe that this multitude of mutually conflicting political theories will develop eventually in the direction of the theory mentioned by Deputy Turi—the line Warsaw, Vienna, Budapest, Rome, perhaps completed by Berlin. This appears to establish a certain equilibrium which is without aggressive tendencies and offers a possibility for the consolidation of peace.

In this speech, which was delivered only six weeks after the publication of the Stresa Resolution[3] and fully two months before the Stresa Front began visibly to crack under the strain of Italian aggression in Africa, the Prime Minister of Hungary made an extraordinarily accurate forecast of the next alignment in the ever shifting relations between the Great Powers; and he spent his remaining months of life and office in trying to ensure that, when the Rome-Berlin axis did take shape, the wheel of Hungarian foreign policy should duly revolve round it.

The series of visits in which the policy of a Hungaro-German

[1] See p. 447, footnote, above.
[2] See section (vii) of this part of the present volume.
[3] See the *Survey for 1935*, vol. i, pp. 159–61.

rapprochement was pursued during the years 1935 and 1936 opened with a visit from Field-Marshal von Mackensen to Budapest on the 15th–23rd May of the former year; and this visitor was well chosen;[1] for his historic feats of arms in the General War of 1914–18 had been the breaking of the Russian front in Galicia and the subsequent overrunning of Serbia in 1915; and both these German achievements had momentarily redounded to Hungary's benefit.[2] The Field-Marshal was followed on the 24th May by General Göring, who made Budapest his first stopping-place on a 'political honeymoon' flying-tour round South-Eastern Europe.[3] On the 25th September General Göring was followed in due course by his Permanent Under-Secretary of State for Air, Lieutenant-General Milch, who spent three or four days in Hungary inspecting her aeronautical equipment. Travelling likewise by air, but in the opposite direction, General Gömbös himself arrived in Berlin next day, the 26th September, 1935, on a visit which lasted till the 1st October, and in the course of which the Prime Minister of Hungary had personal interviews with a number of prominent figures in the capital of the Reich, from Herr Hitler downwards. This visit caused such a stir in Europe that, while it was still in progress, a sedative *communiqué* was published at Budapest.

Thereafter, on the 3rd November, 1935, Herr von Papen, in company with Major Fey, made an excursion on to Hungarian territory in order to take part in a 'hunting ride' of the Third Hungarian Hussars at Sopron. On the 12th–17th January, 1936, the Hungarian Minister for Commerce, Dr. Winchkler, paid a visit to Berlin. On the 1st March, at Budapest, a lecture on the forthcoming Olympic Games was given by the General Secretary of the Organization Committee for the Olympic Games in Germany, Dr. Diem. Between the middle of May and the 25th, a discreetly private visit was paid to Budapest by a German military mission. On the 25th–29th May, the Hungarian Minister for Cults, Dr. Hóman, paid a visit to Berlin, where on the 28th he signed a Hungaro-German treaty for the promotion of cultural relations. On the 21st August Admiral Horthy, while on an official visit in Austria, took the opportunity, as has been mentioned in another context,[4] of paying a call on Herr Hitler

[1] The Field-Marshal's son was already installed as German Minister at Budapest; and no doubt the popularity of his father's name in Hungary was one of the considerations that had suggested his appointment to this post.

[2] The German break-through in Galicia had saved Hungary from an imminent Russian invasion across the Carpathians; the overrunning of Serbia temporarily exorcised the spectre of the Pan-Jugoslav movement, which was Hungary's greatest bugbear at the time.

[3] See also p. 529, below, footnote 1. [4] See p. 446, above.

at Berchtesgaden, and this meeting, like General Gömbös's visit to Berlin in the preceding year, had wide and loud repercussions. According to one rumour, the principal topic of discussion in this conversation between the heads of the Hungarian and the German state was the formation of an anti-Communist Central European bloc with Germany and Italy for its two foundation-stones, while according to another rumour Admiral Horthy's main business with Herr Hitler was to enlist his support for Hungary's aspiration to reintroduce compulsory military service. A sedative but uninformative statement, deprecating all such rumours, was made by Admiral Horthy on the 26th August, after his return to Budapest.

On the 19th September, 1936, Herr von Neurath, the German Minister for Foreign Affairs, paid a private visit to his daughter Frau von Mackensen, who was the wife of the German Minister in Budapest, and it may be presumed that in this excursion, as in so many other of the comings and goings of European statesmen at the time, private claims upon the German visitor's time did not preclude the discussion of public affairs. The next visit in the series was paid in more melancholy circumstances, for on the 6th October General Gömbös died, and General Göring represented the German Government at the funeral at Budapest on the 10th October. The sudden disappearance of General Gömbös from the scene was politically important inasmuch as the Germanophil course which Hungary had been following under General Gömbös's administration was to a large extent the personal policy of the late Prime Minister. On the 12th October a new Ministry, with a more liberal outlook upon foreign as well as upon home affairs, was formed by Monsieur Daranyi; and under the new régime the Hungarian ship of state did not continue to sail for long on General Gömbös's tack. The change in Hungary's foreign policy had not, however, become apparent before the end of the calendar year; and meanwhile the exchanges of Hungarian and German visits continued. On the 4th and 5th December, 1936, two lectures were delivered in Budapest by Dr. Lammers, the Chief of the Reichskanzlei at Berlin, and on the 7th the German visitor was received by Admiral Horthy. On the 10th–16th December, Monsieur Kozura, who was the Minister for the Interior in Monsieur Daranyi's Cabinet, paid a visit to Berlin, where he was received on the 15th by Herr Hitler.

While these friendly exchanges of visits were the most prominent features on the surface of Hungaro-German relations in the years 1935 and 1936, symptoms of friction could be detected at lower levels.

On the 22nd January, 1935, for example, the *Prager Presse*, which was a Czech organ in a German dress, quoted gleefully from the *Sonntagsblatt* of Budapest, which was the organ of the German minority in Hungary, an account of how a projected meeting of the Hungarian Deutsche Kulturverein at Dunaharaszti had been sabotaged by Magyar chauvinists. On the other side, the Magyars of Tolna County were complaining in May 1935 of ostentatiously anti-Magyar demonstrations that were being made by the local Swabian peasantry —the descendants of eighteenth-century settlers who had hitherto always behaved as loyal citizens of Hungary. The conversion of the traditionally loyal German diasporà in Hungary to a new-fangled Pan-Germanism under the double spur of Reichsdeutsch propaganda and Magyar chauvinism was not, however, by any means unanimous, and the division of opinion between the respective representatives of the old and the new attitude came to light on the 15th June, 1935, at a meeting in Budapest of the Ungarländisch-Deutsche Volksbildungsverein.[1] The chairman of the Verein, Dr. Gratz,[2] had formerly held the portfolio for Foreign Affairs in a Hungarian Cabinet, while the General Secretary of the organization, Dr. Basch,[3] was at this moment under sentence to a term of imprisonment on a political charge;[4] and a storm was raised by Dr. Gratz's insistence on suspending Dr. Basch from his duties as an officer of the Verein. Dr. Gratz and Dr. Basch differed not on the cultural question of

[1] This society had been founded in 1934, and it was the only important organ of the Hungarian German community.

[2] Dr. Gratz had held the chairmanship ever since the Verein had been started.

[3] Dr. Basch had been a candidate in Tolna County at the Hungarian parliamentary general election in the spring of 1935, and the demonstrations made by the Germans in that district in the May of that year appear to have been connected with his candidature.

[4] Dr. Basch had been sentenced to a term of five months' imprisonment, on a charge of 'abuse of the Hungarian nation', on account of a lecture which he had given in the Commune of Bàtaepàti in November 1933. The charge against him was that, in exhorting the members of his audience to retain their ancestral German names in spite of the Magyar campaign for the Magyarization of personal names in the non-Magyar communities in Hungary, he had made a remark to the effect that any Hungarian German who Magyarized his name was committing an infamy. Dr. Basch himself denied that he had spoken in such terms; but nevertheless the sentence had been confirmed by the court of second instance not long before Dr. Gratz's move of the 15th June, 1935. To speak or write against Magyarization in terms that were not derogatory to Magyardom was not in itself an offence under Hungarian law, and Dr. Gratz himself had protested with impunity against the Magyarization of Hungarian German names. As for Dr. Basch, his sentence was eventually confirmed by the court of third instance, but he was pardoned before he had served his full term of imprisonment.

whether it was desirable to preserve the *Deutschtum* of the German community in Hungary[1] but on the political question of whether the Hungarian German community should continue to pay an undivided allegiance to the Government at Budapest with a whole-hearted loyalty or should look for support from Berlin for the vindication of their rights as a minority—with the perhaps inevitable corollary of becoming to some extent the instruments of Reichsdeutsch Nazi policy. Thereafter, on the 23rd August, 1935, Dr. Gratz was able to announce that he had reached an agreement with General Gömbös on the question of educational provision for the German minority in Hungary.[2] A decree embodying the new educational arrangement was duly promulgated on the 24th December; but Dr. Gratz's success did not mollify the militant-minded section of the Hungarian German community,[3] while on the other side Magyar feelings were

[1] Dr. Gratz, as well as Dr. Basch, was an opponent of Magyarization.

[2] As far back as 1923, the Hungarian Government had issued an ordinance purporting to make provision for education in the German language for the German minority in Hungary; but the Germans complained that the provision would have been inadequate, even if it had been genuinely forthcoming, and also that, as a matter of fact, the execution of the ordinance was deliberately evaded or sabotaged by the Magyar local authorities with the connivance of the Government at Budapest (*The Slavonic Review*, April 1937, pp. 617–22). The agreement announced by Dr. Gratz on the 23rd August, 1935, had actually been reached as early as the 2nd May, 1934.

[3] It had, of course, to be seen how the new arrangement would work out in practice, since it was one thing for Dr. Gratz to obtain, and for the Government to promulgate, a decree, and another thing to be sure that such a decree would be executed and administered in a way that would satisfy the reasonable expectations of the Hungarian German community. This was a question which could not be answered except in the light of experience. The decree of the 24th December, 1935, provided that a new type of minority school—in which the children would receive the greater part of their instruction in their German mother tongue in the lower classes, with a subsequent introduction of instruction in Magyar, in successive stages—should be introduced within three years in any community of mixed language in which the establishment of such a school might be demanded by the parents of the children of school age. The parents' meetings, envisaged by the law as the local organs for deciding this question, were duly convened, in the course of the year 1936, in 82 Hungarian German communities, but they appear to have been subjected by their Magyar neighbours—and particularly by the Magyar Catholic clergy—to considerable pressure with an eye to inducing them to declare against the introduction of the new type of school; and this pressure appears to have been effective. The authorities at Budapest showed their bona fides by looking into cases in which the adverse resolutions of local parents' meetings were alleged to have been procured by the application of pressure of an illegitimate kind; and, where such allegations were thought to be well founded, the resolutions were annulled and the meetings reconvened. Nevertheless, by the close of the year 1936 not more than 54 communes out of the 82 consulted had resolved in favour of taking advantage of the new facilities.

incensed by reports of Reichsdeutsch propaganda among the Hungarian German diasporà.[1] On the 14th November, 1936, it was announced at Budapest that, some days back, seventeen citizens of the Reich had been arrested in Hungary on a charge of carrying on German National-Socialist propaganda, and that on the 13th the German Minister in Budapest had lodged a protest and had demanded the prisoners' release, but had received the answer that the prisoners had committed an offence against Hungarian law and that the law must take its course. The *Sonntagsblatt*, which was the organ of the German community in Hungary, was suppressed in December 1936 in consequence, apparently, of an attempt on the part of Dr. Basch's supporters to assert a claim to ownership of the paper and use it in order to get rid of the existing editors—but the suppression seems to have been no more than a formality for the purpose of defeating this move, since the suppressed *Sonntagsblatt* was immediately replaced by a *Neues Sonntagsblatt* without any change of editorship. Dr. Basch's party, having failed to capture the *Sonntagsblatt*, founded an opposition paper called the *Deutscher Volksbote*.[2] At the end of the calendar year the position, as between the two rival German factions in Hungary, seems to have been that Dr. Basch had secured a certain following in the South, but not either in West Hungary or in the ring of German villages round Budapest.

While there was thus still a large element, probably amounting to a majority, in the German community in Hungary that agreed with Dr. Gratz in trying to preserve the traditional harmony between its German *Volkstum* and its Hungarian citizenship in spite of some Reichsdeutsch incitement, and perhaps also some Magyar provocation, to turn militant, there was already a party—or, rather, a quiverful of parties—among the Magyar majority of the population of Hungary that admired and imitated the National-Socialist movement in Germany to a degree at which these Magyars exposed themselves to the charge of subordinating their Hungarian patriotism to their cult of 'the Third Reich'.

This Magyar Nazi movement on the Reichsdeutsch pattern was divided against itself. The original Arrow-Cross Party had given birth to a Sickle-Cross Party by secession, and there were yet other rival groups that stood for alternative versions of the same exotic German political creed. Yet, in spite of this division of forces, the

[1] See the controversy in the *Pester Lloyd* of the 20th and 23rd July, 1935.

[2] The *Deutscher Volksbote* could only be published eleven times a year, since any paper with twelve or more issues per annum was required, by Hungarian law, to obtain a permit from the Government, and for the *Deutscher Volksbote* no such permit was forthcoming.

Magyar Nazi movement was not an altogether negligible factor in Hungarian politics under General Gömbös's Germanophil régime. On the 22nd March, 1935, for example, several prominent members of the Arrow-Cross Party were arrested in the County of Zala, and on the 23rd the party newspaper was suppressed by the Minister for the Interior. In the following year more drastic measures were taken against the Sickle-Cross Party, which had sought and found its membership among the most unfortunate and therefore most inflammable class in Hungary: the landless rural proletariat. On the 28th April, 1936, a number of the leaders of the Sickle-Cross were arrested on the charge of having plotted a 'march on Budapest' for May Day. On the 2nd June the party was declared illegal and was dissolved. On the 15th June, at Bekes, 113 members of the party were put on trial on the charge of attempted rebellion; and on the 22nd June a number of sentences of imprisonment were imposed, ranging in term from twelve months to eight days.

Meanwhile, in the Chamber of Deputies at Budapest on the 8th May, 1936, a Social-Democrat deputy, Monsieur Györki, had accused one of his fellow deputies, Dr. Rajniss, of having accepted a sum of Rm. 500,000 from a Reichsdeutsch source for the purpose of combating the 'Jewified' (*verjudeten*) Hungarian press; and this sensational charge was ventilated in the Chamber until, on the 29th, the Advocate-General announced his finding that the documents on which the charge was based were forgeries.

It is evident that by this time the Magyars were conscious of a menace from 'the Third Reich' which was hanging over Hungary as well as over Hungary's South-East European neighbours and adversaries. Yet the desire to recover the broad territories of the Crown of St. Stephen that had been forfeited to the successor states was so strong in Magyar hearts that, in all probability, a decisive majority of the nation would have opted for throwing in their lot with Germany if they had been convinced that the Nazis had the will as well as the power to satisfy the demands of Magyar irredentism. The Magyar will to believe in salvation from Germany was, however, severely shaken by an article, entitled '*Unterdruckte Völker' und Revisionen* and signed 'Alfred Rosenberg', which appeared on the 15th November, 1936, in the *Völkischer Beobachter* and which contained the following passage:

> It has only been possible to speak of a National-Socialist policy of treaty-revision in relation to definite demands, not as a policy to be pursued for its own sake in all places and in every direction. This attitude, which has meant a great deal of renunciation on our part, has

> also governed our relationship to other suffering nations. We have been neither able nor willing to become apostles working for the deliverance of others. We have therefore been equally unwilling to let ourselves be towed along by the efforts of other nations who have appealed to us for support without imposing upon themselves that self-restraint which we have had to maintain.

These words from an authoritative Nazi pen informed the Magyars that an integral restitution of the pre-war territories of the Crown of St. Stephen was no part of the European programme of 'the Third Reich'. And this frank declaration perceptibly lowered the temperature of Hungaro-German relations.

(*b*) Czechoslovakia between Russia and Germany

1. *The Growth of Tension*

In the year 1936 the tensest of all the frontiers in Europe was the line along which Germany marched with Czechoslovakia round three out of the four sides of the trapezoidal-shaped natural fortress of Bohemia. The tension here was increasing while it was diminishing along the adjoining frontier between Germany and Austria; and this Czecho-German tension was indicated by a succession of dangerous incidents and hardly less dangerous rumours of a kind that had been familiar in the Balkan Peninsula before the General War of 1914–18 and in a Balkanized Europe during the post-war years.[1]

This was not the first time in the modern history of Europe that at any rate the northern and north-eastern borders of Bohemia had been an international danger-zone. For nearly a century and a quarter—from the opening of the War of the Austrian Succession in 1742 down to the close of the Seven Weeks' War of 1866—these borders had been the line of collision between two Great Powers, the Danubian Hapsburg Monarchy and the Kingdom of Prussia, which had been contending for the hegemony over Central Europe. In that 'polite' age, however, the wars had been waged between Govern-

[1] For instance, periods of tension of this kind had occurred on the Polish-Russian frontier in 1924 (see the *Survey for 1924*, pp. 204–5); on the Graeco-Bulgarian frontier in 1925 (see the *Survey for 1925*, vol. ii, Part II E, section vii); on the Bulgaro-Jugoslav frontier in 1926 and 1927 (see the *Survey for 1926*, pp. 218–19, and the *Survey for 1927*, pp. 210 *seqq.*); on the Polish-Lithuanian frontier in 1927 (see the *Survey for 1927*, pp. 243–5), and on the Albano-Jugoslav frontier in the same year, Italy also being involved in this latter conflict (see the *Survey for 1927*, Part II C, section (ii)). Finally, as lately as 1934, a serious conflict had arisen between Jugoslavia and Hungary as a result of the murder of King Alexander of Jugoslavia by Croats who had taken refuge in Hungary and had used that country as a base of operations for their terrorist activities, with the connivance, it was alleged, of the Hungarian authorities (see the *Survey for 1934*, Part III D, section (ii)).

ments and not between peoples; they had been fought by professional and not by conscript armies (with the significant exception of the final and decisive war of 1866); and in the long and ever lengthening intervals of peace the frontier had not been harassed by alarums and excursions, since the animosity of the populations on either side of the line had not yet been deliberately inflamed by the Governments for the purpose of being turned to account as one of the most potent of their weapons of offence.

Indeed, from 1866 to 1918, this frontier—which, for that half-century, ran between the Danubian Hapsburg Monarchy and a Prussian-made German Reich[1]—was one of the most peaceable of all the frontiers on the Continent. For, after her decisive defeat in 1866, Austria had renounced once for all her pretensions to exercise a hegemony over any German states outside her own frontiers; in 1879 she had entered into an alliance with the new Prussia-Germany; and in the war of 1914–18 she had been Germany's co-belligerent. During those years when Europe was being scarred by two vast war-zones—one stretching from the Channel to the Adriatic, and the other from the Baltic to the Black Sea—the German-Austrian frontier round the mountain-rim of Bohemia had continued to enjoy a profound peace. The local circumstances during the half-century ending in 1918 were indeed singularly propitious; for this German-Austrian frontier resembled the contemporary Franco-Belgian frontier in being drawn between two populations which spoke a single language and were moulded by a single culture. And, under the favourable political conditions which had prevailed along the German-Austrian frontier since 1866 and along the Franco-Belgian frontier since 1830, these two populations were in both cases gradually losing the consciousness of being separated from one another by any military dividing line. On the eve of the European War of 1914–18, most observers would have picked out these two frontiers as the most signal examples in Europe of a triumph of human progress which had succeeded in transforming two once inveterate war-zones into two special preserves of international peace.[2]

[1] Strictly speaking, this was the situation only from 1871 onwards, and not from 1866. Between 1866 and 1871, the Hapsburg Monarchy marched with a North German Confederation along the north-eastern and northern frontiers of Bohemia and with an independent Bavaria along the south-western frontier of Bohemia.

[2] The Austrian Government were, no doubt, at times embarrassed by the effects of the Wolf-Schönerer movement among the Sudetendeutsch and by the corresponding Pan-German movement on the Reichsdeutsch side of the frontiers of Bohemia. But these political extravagances did not raise the spectre of war.

Nor did the situation along the borders of Bohemia immediately change for the worse when, as a consequence of the defeat of the Central Powers in the war of 1914–18, the Hapsburg Monarchy was supplanted by its successor state, the Republic of Czechoslovakia, as Germany's neighbour in this quarter. From 1919 to 1932 inclusive, the Bohemian frontier between Czechoslovakia and Germany was as tranquil as the Bohemian frontier between the Hapsburg Monarchy and Germany had been from 1867 to 1918. In the light of the situation in 1936, this preservation of tranquillity on this frontier during the first fourteen years after the armistice of 1918 might appear strange at first sight; for one of the principal causes of tension in 1936 was the political dominance of the Czech-speaking over the German-speaking element in the population of Bohemia and Moravia; and this dominance had been established, not since the beginning of the year 1933, but before the close of the year 1918, as part and parcel of the political revolution which had substituted the Czechoslovakian Republic for the Hapsburg Monarchy in this area. Why was it, then, that this inversion of the political positions of the Germans and the Czechs in Bohemia and Moravia did not begin to make itself felt as a disturbing factor in the international field until after a fourteen years' delay?

One reason was that the *tracée* of the international frontier along the borders of Bohemia—a *tracée* which corresponded with the natural boundaries provided by Bohemia's mountain-rim, and which had been consecrated by the use and wont of at least twelve centuries—had not been disturbed in the peace settlement of 1919–20, save for some slight rectifications (it is true, all in Czechoslovakia's favour)[1] which made the political line coincide more closely with the physical. There were further reasons for the happy tranquillity of the post-war years which were to the credit of the several parties concerned.

For one thing, the German-speaking inhabitants of Bohemia and Moravia were not divided from the Czech-speaking inhabitants of those two provinces by the cultural gulf that divided the German colonists from the Rumanian autochthons of the post-war Greater Rumania. The Czechs had entered the circle, and adopted the culture, of Western Christendom as early as the Saxons and earlier than the Poles, Scandinavians or Magyars; and like the Saxons and Scandinavians, and unlike the Magyars and Poles,[2] they had always kept

[1] See the Versailles Peace Treaty, Article 83.

[2] The Magyars and the Poles would probably claim that they too would have kept abreast of the Saxons and the Scandinavians if the normal course of their development had not been interrupted by the violent impact of an

culturally abreast of the leading exponents of the Western Christian Civilization, and had never displayed that vein of barbarism which had continued to characterize the dominant as well as the subordinate nationalities of the Polish and Hungarian commonwealths. The Czechs had always in the long run successfully resisted any attempt on the part of their German neighbours—either inside or outside their rampart of mountains—to reduce them to the status of helots or 'natives'. This had been one of the issues of the Hussite Wars in the fifteenth century; and even the subsequent triumph of the Germans over the Czechs in the Thirty Years' War, which had appeared at first to be decisive, had eventually been reversed, after the lapse of two hundred years, through the cultural and political renaissance of the Czechs in the nineteenth century. By 1918 the Czechs had already regained under Hapsburg rule so much of the ground which they had lost three hundred years earlier that the reversal of Czech and German political fortunes in Bohemia and Moravia, revolutionary though it might be, was at any rate far less revolutionary than it would have been if it had taken place in 1818, at a stage when the Czech renaissance was still hardly discernible. Moreover, in 1918 the Czechs inherited not merely an economically well-developed domain, but also a refined political and administrative tradition, from their Hapsburg predecessors; for in Bohemia and Moravia in the half-century ending in 1918 the Hapsburg Government had acquired an admirable dexterity in holding the scales evenly balanced between the competing Czech and German populations of these two crownlands.

Thanks partly to this regional tradition and partly to their own numbers and (at this time still unbroken) economic strength, the German population of Czechoslovakia enjoyed, from 1919 to 1932 inclusive, the distinction of being not only the largest but also one of the least badly treated of all the German minorities which had been placed by the peace settlement under non-German rule. The German minority in Czechoslovakia fell into two sections which were not only geographically separate but were also differently placed from a demographic standpoint. On the one hand, there was the compact German

alien force, i.e. by the Ottoman conquest of all but the northern and western fringes of Hungary in A.D. 1526, and by the Russian occupation of 'Congress Poland' in A.D. 1815. The Austrian conquest—or reconquest—of Bohemia in the Thirty Years' War was (the Poles and Magyars might argue) a less crushing calamity, since in this case (as in those of the Austrian occupation of Galicia and the Prussian occupation of West Russia and Posen) the foreign conqueror brought with him a civilization that was neither alien from nor inferior to that of the conquered territory.

population inhabiting three strips of Bohemian territory along the inner rim of the Upper Elbe Basin, adjoining respectively the Silesian, Saxon and Bavarian territories of the Reich. On the other hand, there were the German enclaves in Moravia which lay, like a string of stepping-stones, between the south-western corner of Prussian Silesia and the north-eastern corner of the post-war Austrian Republic—as though they had been planted there in the Middle Ages on purpose to haunt the Czechs in the twentieth century with the spectre of *Einkreisung*. These Bohemian and Moravian Germans, together with the German diasporà in Slovakia and Carpathian Ruthenia, numbered in all 3,231,688 souls, or 22 per cent. of the total population of Czechoslovakia, according to the Czechoslovakian census of 1930.

During the first chapter of the history of the Czechoslovakian Republic—that is, during the fourteen years from 1919 to 1932—the position of these Germans in Czechoslovakia, though it might be less fortunate than that of the German minorities in Hungary or Latvia or Estonia, was at any rate enviable by comparison with that of the German minorities in Italy and Poland and Rumania. They had been spared the experience of being uprooted and evicted (which was the fate of the 884,000 Germans who had been placed by the peace settlement under Polish rule),[1] as well as the experience of being swamped by a culturally inferior surrounding alien majority (which was the fate of the 543,622 Germans in post-war Rumania and the 499,326 in Jugoslavia). President Masaryk and Dr. Beneš had the wisdom to realize from the beginning that the future of their young republic depended upon their ability to reconcile the non-Czech and non-Slovak minorities to the new régime; and this necessity of state was particularly evident in the case of the German minority, which was not only the largest of them all but was also related by the ties of common nationality to a far more powerful foreign state than either the Carpatho-Ruthenian Ukrainians (who had actually no independent national state to look to outside the Czechoslovakian frontiers) or the Slovakian Magyars (who could only look to a mutilated and enfeebled Hungary) or even the Teschen Poles (who could only look to a Poland which was no older and perhaps not much more firmly established than Czechoslovakia herself).

Comparatively, therefore, the German minority in Czechoslovakia had good reason, during the years 1919 to 1932, to acquiesce in its

[1] This is a semi-official Polish estimate of the size of the minority. A German estimate made about the year 1936 gives the much larger figure of 1,245,000.

political lot; and it had little temptation to look for political comfort and support to any of its kinsfolk beyond the post-war frontiers. If it had looked anywhere at this time it would have turned its eyes towards Vienna,[1] which had been the lodestar of the Bohemian and Moravian Germans since 1618, if not since 1526. The post-war Austrian Republic was, however, far too cruelly crushed by its own burden of troubles to be able to stretch out a helping hand to any outlying ex-Austrian German minorities that had been marooned on the territories of the successor states; and while there was thus no inducement to keep the eyes of the Bohemian and Moravian Germans fixed upon Vienna, there was also nothing at this stage to suggest that they should address themselves to Berlin instead. Owing to the naturalness and the antiquity of the boundaries of Bohemia, these Germans on the Bohemian side of the mountains had never had any close political associations with the German colonists of Slav territories between the Erzgebirge and the Baltic. Thus the German Reich had no historical reasons for feeling itself responsible for the welfare of the ex-Austrian German minority in Czechoslovakia—as it did feel itself responsible for the welfare of the ex-Prussian German minority in Poland—and since at this time the Germans in Czechoslovakia, unlike the Germans in Poland, were not labouring under any very serious mistreatment, the Government of the Reich were glad enough to be able, without an uneasy conscience, to continue to feel that the Reich was not the Czechoslovakian Germans' keeper at a time when post-war Germany was almost as heavily weighed down with her own internal troubles as was post-war Austria.

Consequently, during the fourteen years of the Weimar régime in Germany, the relations between Germany and Czechoslovakia were no more tensely strained than those between the Germans and the Czechs inside the Czechoslovakian frontiers. But all these relations changed for the worse when—at a moment which found the German community in Czechoslovakia harder hit than perhaps any other industrial population in Europe by the impact of the World Economic Crisis—the Second German Reich under the parliamentary democratic Weimar dispensation gave way to a Third German Reich which was founded on the National-Socialist principles of 'Blood and Soil'.[2]

[1] The Sudetendeutsch had, in fact, proclaimed their country to be a part of the new state of German Austria at the moment of the break-up of the Hapsburg Monarchy in the autumn of 1918.

[2] The synchronism between the catastrophic impact of the World Economic Crisis upon the German community in Czechoslovakia and the revolutionary Nazification of the German Reich was not, of course, accidental, since Herr Hitler's advent to power was itself partly a consequence of the

The Nazis had whole-heartedly embraced the principle of national self-determination—in disregard of historic associations and natural frontiers—which the victors in the war of 1914–18 had officially adopted as the basis of the peace settlement that they had imposed upon their momentarily defeated adversaries.[1] Here, however, these ex-victors now found themselves on weak ground; for in practice they had applied the principle of self-determination only in so far as it worked out to the advantage of themselves or their friends, while they did not scruple to fall back upon one or other of the alternative principles of historic associations and natural frontiers wherever this inconsistency was to their profit. As it happened, the drawing of the frontiers of Czechoslovakia was the classic instance of this somewhat unscrupulous inconsistency in the victors' methods of making the territorial part of the peace settlement of 1919–21.

The Czechoslovakian Republic had been compounded territorially by taking the two historic entities of Bohemia and Moravia intact and adding to them a Slovakian and a Ruthenian slice of a third historic entity: Hungary. If it was proper to break up the historic unity of the Kingdom of Hungary in order to allow the Slovaks to exercise a right of national self-determination, then it must have been improper to preserve intact the historic unity of the Kingdom of Bohemia at the cost of denying the right of self-determination to the German section of its inhabitants. And the inconsistency of the arrangement was equally indefensible if the problem were regarded as a choice between national self-determination and the natural frontiers by which the historical associations had largely been determined. The historic Kingdom of Bohemia was conterminous with the Basin of the Upper Elbe, as the historic Kingdom of Hungary was with the Basin of the Middle Danube. Yet, in a peace settlement in which the requirements of economic geography and the prescriptive rights deriving from political history had alike been subordinated in the Middle Danube Basin to the purpose of liberating the Slovaks politically from a Magyar domination, the Germans in the Upper Elbe Basin had been placed politically under the domination of the Czechs on a plea of historic right and of geographical and economic necessity. If the separation of Slovakia from the rest of Hungary was geographically justifiable, then there could have been no geo-

impact upon Germany of an economic crisis which was ubiquitous in its incidence, though this with pronounced local differences in the degree of its intensity.

[1] For the consequences of the application of this principle in the peace settlement of 1919–21, see C. A. Macartney: *National States and National Minorities* (London, 1934, Oxford University Press), *passim*.

graphical justification for refusing to separate the Sudetenland from the rest of Bohemia. The fact was that Hungary had been partitioned and Bohemia had been kept intact in order, even at the price of an indefensible inconsistency, to favour the Czechs and Slovaks, who were the victors' protégés, at the expense of their adversaries the Germans and the Magyars. This moral as well as logical flaw in the peace settlement began to cause international trouble as soon as the German Reich fell under a Nazi régime whose leading spirits were up in arms to establish an equality of rights, not merely between Germany and the other states on the post-war map of Europe, but also between *Deutschtum*, outside as well as inside the Versailles frontiers of Germany, and the other, non-German, pieces in the intricate mosaic of European nationalities.

In turning their attention to their German kinsfolk in Czechoslovakia on these theoretical grounds, the new Nazi masters of the German Reich had a logically good case; but unfortunately national self-determination was not the only connotation of the Nazi slogan 'Blood and Soil'. It also connoted a glorification of 'methods of barbarism'; and these methods were employed with such promptness and such energy in the Nazis' operations inside the frontiers of the Reich upon Herr Hitler's advent to power[1] that the spectacle was bound to react upon the situation in any country outside the frontiers of the Reich in which a German minority was living under foreign rule. This reaction was bound, again, to be particularly violent in Czechoslovakia, where the largest of all the German minorities that had been placed under foreign rule by the peace settlement was living in direct contiguity with the German population of the Reich round the rim of an Upper Elbe Basin which was encompassed by the territories of the Reich on no less than three sides out of four. It was therefore almost inevitable that the triumph of Nazidom in the Reich should disturb the tranquillity of both the Sudetendeutsch and the Czechs and should set in motion a change for the worse in their relations.

Indeed, quite apart from these tumultuous and infectious political developments just across the frontier, the Sudetendeutsch were by this time in any case predisposed, by the course of political and economic events inside the bounds of Czechoslovakia, to embark upon a more positive, or even militant, policy than they had yet pursued at any time since the break-up of the Hapsburg Monarchy in the autumn of 1918. On the economic plane they were now being

[1] See the *Survey for 1933*, Part II, section (i) (*c*) and (*d*), and the *Survey for 1934*, pp. 324 *seqq.*

sorely tried by the deep depression that had followed the brief post-war boom, while on the political plane they were beginning to smart under the pricks of a campaign of 'Czechization' which the Czechs had set on foot, in all the non-Czech districts of the Republic, as soon as they had found their hands free from their immediate post-war task of laying the foundations of the Czechoslovakian State. At this moment, when the Sudetendeutsch were beginning to feel themselves galled by the yoke of the Czechs' ascendancy—partly on account of economic ills for which the Czechs bore no responsibility, but also partly on account of political grievances for which the Czechs were genuinely to blame—these Germans in Czechoslovakia became conscious of having Herr Hitler's Germany behind them; and the Czechs on their side soon began to press harder on the Sudetendeutsch just because they suspected that their German subjects were now beginning to assert themselves on the strength of a fresh confidence which was being breathed into them by the breath of the political gale which was blowing in from the other side of the mountains. Therewith the relations between Czechs and Sudetendeutsch, which had been so surprisingly little affected for evil by the events of 1918–20, began to deteriorate in a viciously descending spiral. A growing bitterness and self-assertiveness on the side of the Sudetendeutsch progressively aggravated the anxiety and hostility of the Czechs, and a growing Czech will towards repression progressively stimulated the militancy of the Sudetendeutsch, while all the time the weight of the economic depression mercilessly crushed the Sudetic German industrial community and the shadow of a Nazi German Reich lowered ominously over the Czechs' and the Sudetic Germans' common Bohemian fatherland.

The development and antecedents of the relations between the Czech and German communities in Czechoslovakia in 1936 are dealt with in greater detail below.[1] Meanwhile, the pressure of Herr Hitler's Germany upon President Masaryk's and President Beneš's Czechoslovakia, which had begun to make itself felt as soon as Herr Hitler had come into power, was being keyed up in 1936 by the exigencies of the Nazi Government's foreign policy.

As far as its nature could be judged from its behaviour over a period of four years, the National-Socialist dictatorship in Germany was one of those modern régimes of the Napoleonic type that did not know how to maintain their hold at home without gratifying their subjects' vanity, or distracting their minds, by presenting them with a continual succession of exhilarating successes abroad. The

[1] See pp. 486–501.

constant care of a Government in this uncomfortable plight must be to keep a look-out for the least dangerous possible next foreign adventure; and for Herr Hitler's Government in 1936 an adventure at the expense of Czechoslovakia was the line of least apparent resistance—as may be verified by applying the method of exhaustion to the countries with which Germany had a common frontier. On the west the military reoccupation of the Rhineland which was carried out by the German Army on the 7th March, 1936,[1] was the last *coup* which Herr Hitler could attempt in this direction without inevitably involving himself in that major war with the West-European Powers which he was set upon avoiding. On the north-east he could not set foot on the Polish Corridor—a foreign adventure which would still at this date have been more popular than any other among the Prussian majority of the inhabitants of the Reich[2]—without stultifying all the efforts which he had been making since January 1934 to profit diplomatically by Poland's dislike of the *rapprochement* between France and Russia. On the south-east, again, Herr Hitler had refrained from taking the opportunity of Italy's preoccupation with her war in Abyssinia and her economic conflict with her fellow members of the League of Nations in order to pounce upon Austria. He had preferred to take advantage of the embarrassment of France and Great Britain over the Italo-Abyssinian affair in order to reoccupy the Rhineland. No doubt he had felt this to be the first claim upon his fund of audacity, since the reoccupation of the Rhineland might be regarded from a German military standpoint as an indispensable retort to the ratification of the Franco-Russian Pact,[3] whereas it would have been a sheer luxury to let this opportunity in the Rhineland slip for the sake of anticipating the date of an *Anschluss* of Austria to Germany which (in Herr Hitler's view) was certain to come sooner or later. At any rate, whatever Herr Hitler's calculations may have been, he did refrain from any fresh attempt upon the

[1] See section (i) (*c*) of this part of the present volume.

[2] It is perhaps apposite to recall that Herr Hitler himself was an Austrian and that many of his principal coadjutors were Bavarians; for the Bavarians had never had any direct relations with the Poles, while the Austrians had always been on good terms with their Polish fellow subjects of the Hapsburg Dynasty. Thus the leaders of the Nazi Party were not, for the most part, likely to have been so deeply affected as their Prussian fellow citizens by Germany's loss of the Prussian Ostmark or even by the subsequent sufferings of the German minority in these lost Prussian provinces under Polish rule.

[3] The reoccupation *and refortification* of the Rhineland would make it impossible for France to intervene on behalf of Russia or Czechoslovakia—if either of them were to become a victim of German aggression—by the easy stroke of marching into an open and undefended strip of vitally important German territory. (See also pp. 10, 262, above.)

independence of Austria until the opportunity had disappeared with the completion of Italy's conquest of Abyssinia and the lifting of the economic sanctions to which the now triumphant aggressor had been temporarily subjected. Herr Hitler's reaction to Italy's victory in Ethiopia and at Geneva was to conclude the German-Austrian agreement of the 11th July, 1936,[1] and to go into partnership with Signor Mussolini for fishing in the troubled waters of the Spanish civil war.[2] And these steps were tantamount to a declaration of Herr Hitler's intention to let the fruit of the *Anschluss* eventually drop into his mouth instead of trying to pluck it before it was fully ripe. The only remaining avenues for a foreign adventure lay through either Czechoslovakia or Denmark or Lithuania; and of these three alternative victims Czechoslovakia, though the least weak of the three, was at the same time perhaps the most tempting prey.

A reconquest of Northern Slesvik would be as invidious and as unprofitable as it would be easy. A blow at Lithuania might discompose Poland and might also provoke Russia into intervening across Estonian and Latvian territory. An attack on Czechoslovakia might, no doubt, prove to be a still more formidable undertaking than an adventure in the Balticum, since it would undoubtedly meet with a vigorous resistance from the Czechoslovak Army, while it would at the same time be a *casus foederis* under the Czecho-French and Czecho-Russian pacts. On the other hand it would be dificult for France to intervene effectively when once the German refortification of the Rhineland had been completed, and difficult for Russia to intervene when her armies could not reach Czechoslovakia except by forcing a passage across the territories of a Poland and a Rumania who were now taking concerted steps for establishing a continuous zone of insulation—stretching from the Baltic to the Black Sea without a break—between the regions east and west of them.[3] Thus Czechoslovakia might find herself calling in vain for her French and Russian allies to fulfil their contracts, while her nearer neighbours might perhaps be induced either to stand aloof or else actually to join in the assault upon her. Germany's two friends Italy and Poland would be moved chiefly by a sense of relief at seeing Germany's aggressive energies deflected away from Austria and from the Corridor. Poland had a quarrel of her own with Czechoslovakia over the post-war partition of the Teschen district.[4] Hungary was

[1] See pp. 450 *seqq.*, above.
[2] This will be dealt with in the *Survey for 1937*.
[3] See pp. 395, 400–1, above and pp. 524–6 below.
[4] See the *Survey for 1935*, vol. i, pp. 283 *seqq.*

possessed by an enmity against Czechoslovakia that was deeper than either Poland's or Germany's (though this passionate Czechophobia was now being partially neutralized in Magyar breasts by a sobering dread of a German hegemony over the whole of Central and Eastern Europe).[1] Rumania and Jugoslavia were not relishing the prospect of being called to the aid of the third member of the Little Entente in the event of Czechoslovakia's assailant being not an enfeebled Hungary but a reinvigorated Germany.

On this showing it was not inconceivable that Czechoslovakia, who was so well girt about with alliances on paper, might find herself actually left in the lurch if she were to be the victim of aggression on the part of Germany. And the experience of foreign intervention in the Spanish civil war had now just brought to light a new technique for committing aggression *de facto* while saving appearances *de jure*. On this Spanish precedent, an assault upon the existence of Czechoslovakia might—with skill and luck[2]—be made to take the form of an insurrection of the German minority in Bohemia and Moravia against the Czech régime with the assistance of 'volunteers' from the Reich. Both the insurgency and the volunteering might be represented to the public opinion of the world with some plausibility as spontaneous outbursts of a *Deutschtum* which had been goaded at last into exercising its natural right of national self-determination as its only remedy against an unjust and intolerable alien oppression from which it was 'rightly struggling to be free'.

Supposing that a German campaign of this kind along the borders of Bohemia—possibly supported by concerted Polish action in Teschen and Hungarian action in Slovakia and Ruthenia—were to achieve the destruction of Czechoslovakia without provoking the intervention of any Great Power on the victim's behalf, then Germany might look forward to the prospect of a more rapid expansion and aggrandizement than she could hope to reap from any other foreign adventure in any other quarter. The grisly spectacle of the unhindered assassination, in broad daylight, of their Czechoslovak

[1] See p. 458, above.

[2] Luck, as well as skill, would be needed in this case, since it was not likely that the Sudetendeutsch, even if they were willing and able to rise in armed revolt, would also be able to seize and hold any section of the frontier between Czechoslovakia and the Reich. The Czechoslovak Government were already multiplying—with an efficiency that might seem more Teutonic than Slav—their measures for frontier-surveillance and frontier-defence. As a matter of fact, there was not any evidence that the Sudetendeutsch, who were a peaceable, law-abiding people, were inclining, for their part, towards violent courses.

ally might be expected to terrorize Rumania and Jugoslavia into throwing themselves on the assassin's mercy; and a Hungary who was indebted to German physical force for even a partial recovery of her lost territories might find herself almost as tightly bound as her officially captive neighbours and enemies to the German victor's chariot-wheels.[1] Thus a single Nazi *coup* at the expense of a single successor state of the Hapsburg Monarchy might enable Herr Hitler to fulfil the nineteenth-century Pan-German dream by joining the heritage of the Hapsburgs to that of the Hohenzollerns; and such a Greater Germany, dowered with the combined resources of two Great Powers, would overshadow all the other states of Europe and would hold in her hands the hegemony over the whole Continent.

These calculations were of the essence of the tension that was making Czechoslovakia the most dangerous of the several danger-zones of Europe in 1936. The resulting pressure upon the Czech makers and masters of the Czechoslovak State was very severe, since an international tension along the frontiers of Bohemia and an internal struggle between the German and the Czech element in the population of Bohemia and Moravia were now at work simultaneously for the first time in the modern age of European history.[2] In these circumstances Czechoslovakia had no Belgian hope of being allowed to contract out of a future European war by declaring her detachment and retiring into isolation; and, although in this year she took more drastic and draconian steps than any other European country—not excepting Germany herself—to prepare against the eventuality of war,[3] her statesmen were aware that it would be utterly impossible for her to defend herself with her own unaided strength against the combination of hostile forces which she had reason to dread. Thus, in an international situation in which all the lesser states of the World were trying alternative ways of taking cover in view of the failure of the Covenant of the League of Nations to save Abyssinia from annihilation, it was not feasible for Czechoslovakia

[1] See section (iv) (*a*) (5) of this part of the present volume.

[2] During the years 1742–1866, when Austria and Prussia had been contending for hegemony, the internal struggle between Germans and Czechs in Bohemia and Moravia had been dormant (though there was a premonitory bout of it in 1848–9). Conversely, during the years 1866–1932, when the Germans and Czechs had been contending with one another in Bohemia and Moravia, there had been peace and amity between the Hapsburg Monarchy and its successor state the Czechoslovak Republic on the one side and between the North German Confederation and its heir the Second German Reich on the other. The two struggles were taking place simultaneously for the first time in the period that opened with Herr Hitler's advent to power in 1933.

[3] See pp. 141–2, above.

to seek safety, Belgian-fashion, in a policy of armed isolation. The goal of Czechoslovakia's rearmament could not be single-handed self-defence; it could only be to make herself into an ally whose services would be too valuable for her partners to feel able to afford to betray her.

This point was forcibly put by the Czechoslovak Minister for Foreign Affairs, Monsieur Krofta, in the following passage of an *exposé* of the international situation and of his own policy which he made on the 22nd October, 1936, at a joint session of the Foreign Affairs Committees of the two Houses of Parliament at Prague.

> The situation has, in any case, to a great extent been changed by the declaration made by the King of the Belgians on the 14th October. . . . . At the time, this declaration was widely believed to mean the complete and final withdrawal of Belgium from her treaties of alliance and from the League of Nations, and to constitute a formal declaration of neutrality. Since then, however, a calmer view has prevailed with regard to its meaning and importance, and it is now thought to be more of the nature of a series of principles for the guidance of Belgian diplomatic and military policy than a final decision to adopt a new policy.
>
> According to this more moderate interpretation it would appear that Belgium still considers herself to be bound by all the treaties that she has signed, including Locarno, but that she will seek to modify these treaties in such a way that she will not in future be obliged to help any state which is attacked by another, though she herself, on the contrary, will have a guarantee of help if she is the one to be attacked. This would, in any case, mean a substantial change from the Locarno defence system which has been in force up till now, and would also, without doubt, put a serious strain on the proposed negotiations for a 'new Locarno'. In addition to this, King Leopold's declaration, in whichever sense it is to be interpreted, might mean the withdrawal of Belgium from her obligations under the Covenant and might also have an unfavourable influence on the relationship of other states towards the League.
>
> It is not, I believe, necessary to explain why we cannot and shall not follow Belgium's example. Our geographical position is certainly quite different from that of Belgium. We have not only no certainty, but even no particular reason to hope, that any European state would give us military assistance against an aggressor if we had not made sure of its help beforehand, by promising corresponding help to it in return, so far as lay in our power. In consequence, we must not only maintain our present treaties of alliance but we must also make efforts to strengthen and to extend them. Indeed, it is not only for idealistic and moral reasons, but, above all, for the protection of our vital interests that we must pursue that policy of loyalty, the most conspicuous expression of which is the Covenant of the League of Nations.

In a later passage Monsieur Krofta expressed the opinion that, in the light of experience, states members of the League could not yet

afford to count for their security upon the working of the Covenant, but must still reckon upon having to defend themselves with their own hands and with the help of their allies. And Monsieur Krofta then proceeded to review Czechoslovakia's system of alliances in the light of Germany's rearmament.

> Our principal alliances, those with France and with the Little Entente, might lose much of their practical value as a result of the gradual rearmament of Germany unless they were supplemented by a more accurate definition of our mutual obligations, or by treaties of mutual assistance with other states. . . . It was for this reason that we worked for the conclusion of the so-called Eastern Pact and Danubian Pact. As, however, these attempts did not meet with any success, and in order to provide, as it were, a partial substitute for the Eastern Pact, we concluded a mutual assistance treaty with the U.S.S.R. In addition to this, we have begun to make preparations for supplementing our treaty obligations towards the Little Entente with regard to an attack upon any one of its members.

Between the lines of this last-quoted passage it is possible to read a conviction in Czech minds that, in the circumstances of the hour, Russia was more likely than either France or Jugoslavia or Rumania to take up arms on Czechoslovakia's behalf in the event of Czechoslovakia being attacked by Germany. While Rumania, Jugoslavia and France might all alike have some hope of receiving, and be under some temptation to accept, a German offer to leave them in peace on condition of their disinteresting themselves in Czechoslovakia's fate, the Czechs might calculate that it would be no more possible for Russia than for Czechoslovakia herself to contract herself out of the German peril by deflecting the Hitlerian lightning from her own to some one else's head. Herr Hitler's declarations of hostility towards Russia were, indeed, far more violent and far more frequent than his hostile references to Czechoslovakia; and in this light the statesmen at Moscow might reckon that, in coming to Czechoslovakia's rescue, they would be consulting their own country's vital interests by manning the first line of Russian defence against a German thrust towards the wheat-fields of the Ukraine and the mineral deposits of the Donetz Basin and the oil-fields of the Caucasus.

Thus the tension between Germans and Czechs in Bohemia and Moravia was ramifying into a tension between the German Reich and the Soviet Union, with Czechoslovakia for its focus; and in the course of the year 1936 this German-Russian tug-o'-war over Czechoslovakia gradually took the place of the German-Italian tug-o'-war over Austria as the governing factor in the play of East-European political forces.

Against this wider background, we may now survey, first, the crop of incidents and rumours which sprang up in 1936 along the frontier between Czechoslovakia and Germany, and, second, the relations between Germans and Czechs inside the Czechoslovak frontiers in the course of the same year.

(2) *Incidents and Rumours*

The tension round the borders of Bohemia, at the core of Europe, in 1936, provided a new and alarming illustration of the perils of a situation in which a continent had been contracted physically to the dimensions of a parish by the invention of flying, while it still remained divided politically into no fewer than twenty-seven sovereign independent states which were entitled and equipped to go to war with one another. A few days before the German military reoccupation of the Rhineland on the 7th March, 1936, the writer of this survey, travelling by air (and back in the day) between Berlin and Munich, was startled to find himself looking over his left shoulder into the western corner of Czechoslovakia within little more than fifty minutes after the plane had left the ground on the Tempelhofer aerodrome.[1] When in England, a few days later, he read the alarming news of Herr Hitler's Rhenish *coup*, his apprehension was considerably sharpened by his recent experience of the closeness of the quarters at which the immense and potent armaments of the European Powers were now jostling up against one another; and this impression was heightened when, on the 26th May, 1937, he found himself in Prague on the day of an anti-air-raid drill and discovered that the hostile aeroplanes were expected to arrive over the capital of Czechoslovakia within fifteen minutes of the moment at which they had been first observed by the watchmen on the frontier.

The incidents and rumours to which this awkward and precarious state of affairs perhaps inevitably gave rise were particularly rife in 1936 round the Bohemian frontiers of Germany and Czechoslovakia.

On the 2nd February, 1936, for instance, a party of German troops in active service kit, as well as a German war-plane, were reported to have trespassed on Czechoslovakian ground and air across the

[1] The shortest line by air from Berlin to Munich would take the traveller over the salient of Bohemian territory round Asch, north-west of Eger. German planes travelling between the capital of the Reich and the capital of Bavaria had therefore at this date to deflect their course slightly westward in order not to trespass outside the limits of Germany's national air. Asch, which was Herr Henlein's home town and place of residence, looked out of Czechoslovakia into Germany as Herr Hitler's hermitage at Berchtesgaden looked out of Germany into Austria.

Silesian-Bohemian frontier, near Nachod, while the Czechoslovakian Army was engaged in manœuvres. On the 8th February, on the same frontier, four German officers on skis were arrested by the Czechoslovakian police on the Bohemian side of the line; and on the 24th February, inside the northern corner of Bohemia, three Czechoslovakian customs officials arrested six members of the German Air Force in two cars. On the night of the 27th–28th March, on the Bavarian-Bohemian frontier, all cars entering Czechoslovakia from Germany were stopped and examined on the strength of a rumour that twenty-four German military motor vehicles, laden with weapons, were waiting to be driven into Austria across Czechoslovakian territory, and these precautions were kept up for three nights running. On the 1st April, near Asch, in the salient of Bohemia north-west of Eger, two Germans in the uniform of a German paramilitary formation called the *Luftschutzbund* were arrested by the Czechoslovakian authorities.

These alarums on the Czechoslovakian side of the frontier had their counterpart on the German side in tales of technical preparations on Czechoslovakian soil for turning Czechoslovakia into a ' jumping-off ground ' for Russian armies or into a ' mother-ship ' for Russian war-planes.

The latter tale gathered such volume that on the 25th March, 1936, in the House of Commons at Westminster, a parliamentary question on the subject was addressed to Mr. Eden and evoked the answer that the Czechoslovakian Government had given the British Government's representative at Prague a categorical assurance that no arrangement was in existence between the Czechoslovakian and Russian Governments for the use of aerodromes in Czechoslovakian territory by the Russians for military purposes. A Soviet Air Force mission, headed by the Commander-in-Chief, did, however, arrive in Prague on the 15th July; and on the 26th August the Hungarian press published a report from Bucarest that there was to be a Russo-Franco-Rumano-Czech Air Force Conference at Prague in September. On the 10th September, at the National-Socialist *Parteitag* at Nuremberg, the allegation that aerodromes had been provided for the Russian Air Force on Czechoslovakian territory was repeated by both Dr. Goebbels and Herr Rosenberg. The Government at Prague issued a *démenti* of Dr. Goebbels' statement, and on the 23rd September they lodged an official protest at Berlin against both Dr. Goebbels' utterances at Nuremberg and Herr Rosenberg's. In an article published in the Geneva *Journal des Nations* on the 26th October, the Czechoslovakian Minister for Foreign Affairs, Dr. Krofta, pointed out that

the Czechoslovakian Government had given proof of exceptional social stability ever since its foundation; and he declared that Czechoslovakia's 'co-operation with the Soviet Union with a view to the peace and security of Europe' had 'nothing to do with the question of Bolshevism'. Nevertheless, on the 30th October, in a speech delivered at Selb in the Upper Palatinate, the Nazi Gauleiter of the Bavarian Ostmark, Herr Wächter, repeated the allegations about Russian aerodromes and described Czechoslovakia as a corridor placed at the Red Army's disposal in order to give it access to the heart of Europe. On the 5th November, a protest against the ventilation of the Russian air-bases story in the German press was lodged by the Czechoslovakian Legation at Berlin. On the 17th of the same month, however, the Nazi *Völkische Beobachter* was publishing the story of the arrival of several Russian General Staff officers at Brünn. Thereafter, another categorical denial of the air-bases story was made by the Czechoslovakian Minister in London, Monsieur Jan Masaryk, in a letter of the 21st November which was published in *The Times* on the 23rd.

The air rumour which had thus been put into circulation early in the year was followed up in July by the spread of a complementary story to the effect that the Rumanian Government had undertaken to build—or had given the Czechoslovakian Government leave to build—on Rumanian territory a strategic railway—or a network of strategic railways—to give the Russian ground forces passage into Czechoslovakia. A *démenti* of this second rumour was issued by the Rumanian Legation in Berlin on the 12th August. The only railway construction, it was declared, that was actually being carried out in this part of Rumania was the doubling of the track of the existing single-track line connecting Rumania with Czechoslovakia.

(3) *The Treatment and Conduct of the German Minority in Czechoslovakia*

It has been indicated already[1] that a conscious and deliberate policy in the minds of the Czech statesmen who were the fathers of the Czechoslovakian Republic had worked together with the relative liberality of the Austrian (as contrasted with both the Hungarian and the Prussian) administrative tradition to secure for the Germans in Czechoslovakia a comparatively considerate treatment during the first phase of the post-war dispensation. And those grievances of the German minority that were the legacy of those earlier years mostly pointed to sins of omission rather than of commission on the part of

[1] See p. 473, above.

the Czechs. In the halcyon days before the descent of the World Economic Depression upon Czechoslovakia and the ascent of Herr Hitler to the leadership of a Third German Reich, the Czechoslovakian Germans seem to have been conscious, not so much of being positively oppressed, as of being denied their fair share of the advantages and amenities of life in a commonwealth in whose population they constituted so large and so valuable an element. They represented that they were not given sufficient facilities for the use of their own language in official and legal business, that they were not left free to manage their minority schools, and that these schools were not provided in sufficient numbers.[1] Their chief subjects of complaint were that the German community were not being given a quota of posts in the public service that was even approximately proportionate to their numerical strength in the population of the state; and that the German districts were not receiving a share corresponding to their contribution to the revenues of the republic in the allocation of public funds for social services or in the execution of public works or in the distribution of Government contracts.[2] The grievance over the allocation of posts in the public service was given point by the fact that it was precisely the minor officials of Czech nationality in the non-Czech districts of Czechoslovakia who were apt to bear hardly—in petty but none the less vexatious ways—upon the populations over whom they found themselves in authority, in contrast to the apparent large-mindedness of Czech statesmen at Prague, who, since 1926, had been in the habit of signifying their own intention to treat their German fellow-citizens as sons and not as step-sons of Czechoslovakia by the symbolic practice of always appointing a German to one of the Cabinet Ministries. As for the grievance over the allocation of public expenditure between the Czech and the non-Czech districts, this came to be felt much more acutely in the German districts of Czechoslovakia after the onset of

[1] Law No. 189 of the 3rd April, 1919, had fixed the number of children of school age necessary for the establishment of minority schools at forty. It was not altogether clear whether this figure (which had been adopted in several countries bound by Minorities Treaties) was in itself unsatisfactory to the Sudetendeutsch, or whether their grievance lay rather in an alleged discrepancy between the legal figure and the actual situation, in which many German children were compelled to attend Czech schools owing to a sheer lack of German schools, even in places where there were German children in sufficient numbers to call for the establishment of a minority school according to the provisions of the Czechoslovakian law.

[2] In the speech which he made at Reichenberg on the 19th August, 1936, (see p. 496, below) Dr. Beneš did, in fact, admit that mistakes had been made in this way, and as an instance he cited the fact that Czech workmen had been brought into German districts where unemployment was very high.

the Economic Depression; for these German districts were also those in which the greater part of the industries of Czechoslovakia were concentrated and where an old-established urban working population, accustomed to a higher standard of living than the Czech—and *à fortiori* than the Slovak—peasantry, now found itself suffering agonies from the pressure of sweating and the pinch of unemployment. By the time, *circa* 1933–6, when the depression reached its local *nadir*, the fall in the standard of living of the Sudetendeutsch working population had become catastrophic. Former foremen and skilled workers were living with their families in overcrowded, insanitary, unweatherproof shacks, while their daughters were being sweated at wage-rates that would have shocked English consciences in the eighteen-thirties. This social catastrophe was at the same time an explosive political force which worked havoc with the political relations between the Sudetendeutsch and the Czechs.

The economic disaster itself was, of course, the effect of impersonal causes for which the Czech masters of Czechoslovakia were in no way responsible. An economist could demonstrate that substantially the same economic ills might have been inflicted upon the same German industrial population at about the same date by the mysterious operation of the trade-cycle, even if, on the political plane, these Sudetendeutsch had continued to form part of the ruling community in an unpartitioned Austria instead of having been reduced to the status of a subordinate minority in the *ci-devant* Hapsburg Monarchy's Czechoslovakian successor state. The principal industries of the German areas in Bohemia had always shown themselves sensitive to the influence of oecumenical economic depressions because they consisted, not only of staples like textiles and iron and steel, but also of side-lines like glass and porcelain and a number of cottage industries (e.g. gloves, straw hats, wicker-work), while staples and side-lines alike were dependent on a foreign market. These weaknesses were, however, all accentuated at the time when the Sudetenland was overtaken by the World Economic Crisis which set in with the break on Wall Street in the autumn of 1929. As a result of the war of 1914–18, and the subsequent peace settlement and the spate of nationalism which the war and the peace settlement had let loose, the Sudetic industries found in the first place their home market reduced from the 50,000,000 inhabitants of the pre-war Hapsburg Monarchy to the 15,000,000 inhabitants of the Monarchy's Czechoslovakian successor state. In the second place they found their foreign markets raided by Reichsdeutsch and Japanese competitors, and at the same time restricted by the ever more onerous

tariffs and quotas and exchange-controls of the importing countries. These additional adverse factors in the economic life of the Sudetendeutsch (which were not, of course, the fault of the Czechs) did make the Sudetic Germans' sufferings in the depression of 1929 and the following years more acute than their sufferings in the previous depressions of the pre-war age. And the Sudetic Germans believed and declared that the sufferings that were being inflicted on them by these impersonal economic evils, new and old, were being aggravated by the negligence, and even by the malice, of the Czechs in whose power the Sudetic Germans found themselves under the existing régime.

The sense of being uncared-for could perhaps have hardly failed to instil itself into the minds of a national minority which was now in deep economic distress, and which at the same time had good reason to feel that its presence in the country was regarded by the dominant *Staatsvolk* as at best a political nuisance and at worst a political danger to the security, or even to the existence, of the fledgeling Czechoslovakian Republic. The dole which the unemployed Sudetic German worker received from the Czechoslovakian state amounted in fact to no more than a maximum rate of 20 crowns (about three shillings) per week per family (irrespective of the number of children); and this pittance, which was utterly insufficient to keep life in the body, was shockingly small by comparison with the contemporary English—or even with the contemporary Austrian—rate. A Czech apologist could point out that the same rate, however inadequate, was paid without discrimination to the Czech as well as to the German citizens of the Republic who were entitled to receive benefit. But to this the German spokesman could retort that the burden of unemployment bore incomparably less hardly upon the Czech than upon the German community, and this for several different reasons. In the first place, a far larger proportion of the Germans than of the Czechs (or, *à fortiori*, of the Slovaks) were engaged in industry.[1] In the second place, the particular Czechoslovakian industries that happened to be in the Germans' hands were those that had been the hardest hit by the depression and that were now showing the least signs of incipient recovery (the heavy industries, which were now benefitting by rearmament, were largely owned by Czech capitalists and staffed with Czech labour). In the

[1] According to a Czech source (J. Chmelař: *The German Problem in Czechoslovakia* [Prague, 1936, Orbis], p. 67), about 46 per cent. of the German population of Czechoslovakia at this time was industrial, as against about 39·43 per cent. of the Czechs and Slovaks.

third place, the Sudetic German industries (like those of South Wales, Tyneside and Teesside) were mostly of old standing, and a majority of the Sudetic German workers who were now unemployed and without prospect of re-employment belonged to families which had been engaged in industrial work for several successive generations and had therefore lost their connexion with the land, whereas the Czech industries were distinctly younger on the average, with the happy consequence that a far larger number of the unemployed Czech workers had a native village to which they could still return with the expectation of obtaining at any rate the bare necessities of life from their more fortunate kinsmen who had never abandoned husbandry for factory-work.

It will be seen that, at the time when Czechoslovakia was smitten by the World Economic Crisis, Fortune told in favour of the Czech, in contrast to the German, contingent of the industrial workers of the country so markedly as to be likely in any case to cause some heart-burnings on the German side; and the Germans alleged that this differentiation, to their own disadvantage, which was being produced by the play of social facts and forces, was being deliberately accentuated by policy, on the Czechs' part, for the purpose of turning the Germans' economic distress to the Czechs' political account.

According to the Germans' indictment, their economic straits were being taken advantage of by the Czechs in order to force the pace of the process of 'Czechization' in at least two fields, which were both of them of capital importance: the field of education and the field of colonization. It was alleged, for example, that if a destitute German mother consented to send her children to one of the new Czech schools that had been planted in the German districts, this Czech school would provide not only a Czech education but also meals and clothes, whereas the local German school would have no funds for supplementing a German education with these physical necessities of life; so that the German mother's feelings would be torn in two between her anxiety to see her children cared for and her anxiety not to see them denationalized. It was alleged, again, that if the management of a German industrial concern that was struggling to keep its head above water applied for a loan from a Czech-controlled bank in Prague, the grant of the loan was apt to be made conditional, not merely on the usual business considerations, but also on the stipulation that the German concern should dismiss a certain percentage of its German workers in order to fill the vacated places with Czech recruits drafted in from the Czech parts of the country. It would be difficult to ascertain the extent to which a

Czech screw was being turned, in these and other ways, in order to bring political pressure upon the Sudetic Germans in their economic distress; but there seems to have been some substance in the Germans' charges; and the consequent bitterness in German hearts was extreme.

The history, in detail, of the relations between the German minority in Czechoslovakia and the Czech Government at Prague since the peace settlement is in itself an internal affair of Czechoslovakia which falls outside the scope of this survey; but at the present point it may be convenient to take note of some of the outstanding events in this field in the year under review on account of the light which these domestic affairs throw upon the critical contemporary international relations between Czechoslovakia and the Reich.

The dominant feature in the domestic political situation in Czechoslovakia at the beginning of the year was the accomplished fact of the consolidation of a majority—perhaps not less than seventy per cent.—of the Czechoslovakian Germans into a single party which to some extent was organized on the pattern and inspired by the ideas of the National-Socialist Party in Germany.[1] This Sudetendeutsche Partei had its own local founder and leader in the person of Herr Konrad Henlein; Herr Henlein demanded the same unquestioning obedience from his Sudetendeutsch followers as was demanded by Herr Hitler from his Reichsdeutsch followers; and the Sudetic Führer saw eye to eye with his ex-Austrian compatriot and counterpart on the other side of the mountains in the fundamental point of placing the cause of German nationalism above all other political considerations. This was an innovation in Sudetic German politics; for before the foundation of Herr Henlein's Sudetendeutsche Partei in 1933 the Germans of Czechoslovakia had distributed their allegiance over as wide a range of political parties as their Czech neighbours in Bohemia or as their German kinsmen in the

[1] In taking a leaf out of the Reichsdeutsch National-Socialist Party's book, the Sudetendeutsch might claim to be merely re-asserting their title to something that was originally their own; for some of the principal planks in Herr Hitler's platform—e.g. his anti-semitism and his anti-clericalism—had been derived by him from a nineteenth-century chauvinistic school of Bohemian German political thought which had struck out these ideas in the heat of the Bohemian Germans' struggle with the Czechs. The Sudetendeutsche Partei expressly subscribed to the *Führerprinzip*; but, however anti-democratic their political theory might be, they had no opportunity, under Czech rule, of putting any such theory into practice; and of necessity the allegiance of two-thirds of the total German population in Czechoslovakia was won and held by Herr Henlein with no other weapon than the democratic arts of persuasion.

Reich. Herr Henlein had succeeded in persuading all these Czechoslovakian German parties except three—the Christian Socials, Social Democrats, and Agrarians—to fuse themselves into a single party under his own leadership; and his success had been so substantial that in the Czechoslovakian general election of 1935 his candidates won more seats than those of any other single party, except the Czechoslovak Agrarians.[1] These remarkable election results entitled Herr Henlein to claim at any rate that he was now the most representative of all the Czechoslovakian German party leaders; but after, as before, the 1935 elections the Czech political leaders, from Dr. Beneš downwards, were unwilling to have any dealings with Herr Henlein, and they were still maintaining this negative attitude towards him and his party in June 1937. On the other hand, the three German parties which had stood out against Herr Henlein's movement had been drawn towards the Czechs by the very consideration that had made the rest of the German community in Czechoslovakia now turn more recalcitrant. The advent of Herr Hitler to power in the Reich had made these three Czechoslovakian German parties feel that their present subjection to the Czechs was a lesser evil than the possibility of their being engulfed in the Third Reich. And this judgment had had practical consequences. The German Social Democrats and Agrarians had been taken into the parliamentary coalition which had been in power at Prague since June 1935, and which was represented throughout 1936 by the Ministry which had been formed by Dr. Hodža on the 5th November, 1935; and the German Christian Social Party joined Dr. Hodža's Government in July 1936. In addition to this, members of all three German governmental parties were combining together to form the so-called Young Activist Movement. The purpose of this movement was to take up the cause of the Czechoslovakian Germans with renewed energy, but at the same time to continue to support Dr. Hodža's Government in return for concessions in cultural, economic, and administrative matters.

Herr Henlein's official party programme was to secure an equality of rights for the Czechoslovakian Germans with the Czechs within

[1] Though the Sudetendeutsche Partei had gained one seat less than the Czechoslovak Agrarian Party, it had actually polled 72,937 more votes.

The respective position of all the German parties after the election was as follows, the number of seats previously held by each party being shown in brackets: Sudetendeutsche Partei 1,249,530 votes and 44 [0] seats; German Social Democrats 299,942 votes and 11 [21] seats; German Christian Socials 162,761 votes and 6 [11] seats; German Agrarians 142,399 votes and 5 [12] seats. The total number of seats in the National Assembly was 300.

the existing framework and frontiers of the Czechoslovakian state. On the Czech side, however, this studiously moderate programme was suspected of being a screen for an unavowed ambition to achieve an *Anschluss* of the Sudetenland to the Reich. The reason for this suspicion was that Herr Henlein's party, with its almost ostentatiously 'correct' official aims, had sprung into existence about the time of the dissolution on the 4th October, 1933, of a pre-existent Sudetendeutsch National-Socialist Party—and the ground on which this forerunner of the Sudetendeutsche Partei had been disallowed by the Czechoslovakian Government had been a finding of the Supreme Court in which the party had been convicted of aiming at the transfer of a part of the territory of Czechoslovakia to Germany. As against Herr Henlein and his party, the charge that they were cherishing a secret design to secede from Czechoslovakia and join the Reich remained unproven.[1] On the other hand, the subsequent domestic history of the party, recorded below, made it evident, before the calendar year was out, that Herr Henlein—unhappily for him—had to reckon with Reichsdeutsch intervention in Sudetendeutsch politics.

Meanwhile, the opening of the calendar year 1936 found a majority of the Sudetendeutsch marshalled in a fighting phalanx under the banner of *Deutschtum* and the leadership of Herr Henlein, and before the end of January the relations between the Czech and German communities in Czechoslovakia were subjected to the strain of a long-drawn-out treason trial of a kind that had become a dismally familiar feature in the political life of Central and Eastern Europe since the eve of the General War of 1914–18.[2] The scene of this trial was Moravska Ostrava (Mährisch Ostrau); the prisoners were seventeen Czechoslovakian Germans charged with offences under the Czecho-

[1] The Czech allegation that Herr Henlein and his lieutenants were insincere was intrinsically difficult either to confirm or to disprove; but the onus of proof would appear to lie with the party which was declining to accept the other party's word. The writer of this *Survey*, who visited the Sudetenland and talked with a number of members of the Sudetendeutsche Partei at the end of May and beginning of June 1937, saw or heard nothing that might have inclined him to suspect that his informants were throwing dust in his eyes when they protested that they were aiming neither at an *Anschluss* to the Reich nor, again, at the erection of a Sudetendeutsch 'state within the state' inside the existing frontiers of Czechoslovakia. His impression was that the Czechoslovakian Germans of all parties were mainly concerned with the dire economic distress of the Czechoslovakian German community, and that the pursuit of such high-flown political aims as the union of all the German populations of Europe, or the establishment of the supremacy of the German race, was far from their minds. A starving man who is too poor to buy his daily bread is unlikely to be laying plans for the purchase of caviare.

[2] The archetype of the species was the notorious Zagreb treason trial of 1909 which had been one of the presages of the European catastrophe of 1914.

slovakian Defence of the State Act; and the sentences were pronounced on the 24th March after proceedings which had occupied sixty days. While four of the prisoners were acquitted, the remaining thirteen were condemned to terms of imprisonment, with hard labour, ranging from nine months to four years.

This trial was hardly over when fifteen Czechoslovakian citizens of German nationality were arrested by the Czechoslovakian police near Pilsen and five others at Freiwaldau in the middle of April, on charges of being engaged in espionage on the German Government's behalf. On the 10th July, two more Czechoslovakian citizens of German nationality, together with three Reichsdeutsche, were arrested on a charge of intended sabotage, and on the 22nd July six more Sudetendeutsche—all of them members of the Sudetendeutsche Partei—were arrested on a charge of kidnapping.

The tension to which these treason-hunts bore witness was equally apparent in the same year in other fields.

The Sudetic German grievance over the alleged inequity in the local, or communal, distribution of public expenditure found expression in a petition addressed on the 24th April by the Leader, the Deputies, and the Senators of the Sudetendeutsche Partei against an order which had been issued on the 28th January by the Czechoslovakian Minister for Defence, Monsieur Machnik, to a number of private firms which had tendered for governmental armaments contracts. The order made certain stipulations regarding the relative numbers of Czech and German employees and workmen in the service of the firms in question, called for the replacement in a maximum period of two years of foreign employees by Czechs of Czech language and prohibited the engagement of any employee or workman belonging to a political party hostile to the state. The stipulations were denounced by the petitioners as being irreconcilable with the treaty for the protection of minorities in Czechoslovakia which had been concluded between Czechoslovakia and the Principal Allied and Associated Powers on the 10th September, 1919. The Czechoslovak Government presented their observations on the petition; and the Minorities Committee, among the three members of which was included the representative of the United Kingdom, met in September to study the matter. The committee, as it appears, did not pursue its examination, because in the meantime the petitioners had announced their intention of submitting a supplementary petition giving further information.

The other vexed question of appointments in the public service was particularly acute in regard to the personnel of the police, and

during the summer and autumn of 1936 the municipal police of certain Sudetic German cities and districts, which had been recruited, as was natural, from the local German population, was replaced by state police in which the personnel was Czech or Slovak. Yet another vexed question—that of the communal allocation of social services—was ventilated in a battle of statistics. For example, there was a statistical controversy over the relative benefits which the Czech and the German community in Czechoslovakia were respectively receiving—in proportion to their respective numbers and contributions to the public revenue—from the public provision for education.

The tendency towards a deterioration in the relations between the Czechs and their German fellow-citizens, which was thus declaring itself in a number of different fields in the course of the year 1936, aroused the Czech statesmen at Prague into making an effort to bring these relations back towards the happier footing on which they had stood during the post-war years before the Economic Depression had descended upon the Germans of the Sudetenland or the National-Socialist Revolution upon their kinsmen in the Reich; and while the eventual agreement between the Government and the three independent German parties was not achieved until after the turn of the calendar year,[1] it was already being foreshadowed before the end of 1936 in a number of events of a more auspicious nature than those recorded above.

One of the earliest of these was a friendly gesture from the Czechoslovak side made by the Minister for Foreign Affairs, Dr. Krofta. In the course of a speech which he delivered on the 21st May, 1936, before a congress of the German societies for popular education in Czechoslovakia, he declared that the Czechoslovak Germans were capable of rendering such great services to the Czechoslovak state that they could not possibly be regarded as a mere minority without any organic connexion with that state. Though he expressed the hope that the Germans would succeed in harmonizing 'their just endeavours to preserve their national individuality and their intellectual and cultural connexions with *Deutschtum* with the fact that they lived in a state in which the Czechoslovaks' were 'the leading nation', he also promised that, if this hope were fulfilled, the Czechoslovaks would willingly regard the Germans as 'a second *Staatsvolk*' and would 'gladly co-operate with them in promoting the prosperity of our common homeland'.

On the 17th June, 1936, again, the Rector of the German Univer-

[1] This agreement of the 19th February, 1937, will be dealt with in a subsequent volume of this *Survey*.

sity at Prague was able to announce that the Government had granted a request—originally presented by a deputation which had waited on President Beneš on the 30th January—for the reconstruction of the university buildings.[1]

On the 19th August, President Beneš visited, in succession, the three Sudetic industrial towns of Reichenberg, which was a textile centre, and Jablonec (Gablonz) and Zelezny Brod (Eisenbrod), which were two of the seats of the Bohemian glass manufacturing industry; and in each of these places he delivered an important speech. His speech at Reichenberg (which was delivered almost entirely in German) was mainly concerned with the domestic question of the relations between the Czechoslovakian Germans and the Czechs, and his speech at Zelezny Brod mainly with the foreign policy of Czechoslovakia, while the transition from the former to the latter theme was made in the President's speech at Jablonec. On the domestic question, the President began by declaring that the minorities problem in Czechoslovakia was the concern of two parties only, namely Czechoslovakia herself and the League of Nations, and was not the business of any foreign Power (except in so far as a foreign Power might be entitled to act through the machinery at Geneva). He also emphatically rejected all idea of giving the Sudetic Germans territorial autonomy; but at the same time he struck a no less emphatic note of conciliation on every other point. In lieu of territorial autonomy for the Sudetenland, he held out a prospect of a decentralization on uniform lines throughout Czechoslovakia by which the Czechoslovakian Germans would benefit to the same extent as their non-German fellow-citizens; and he took up, in sympathetic terms, the four issues of education, language, public services and unemployment. On the question of foreign policy, he was again emphatic in declaring Czechoslovakia's determination to abide by the Covenant and by her existing alliances; but at the same time he insisted that the alliance with Russia did not imply any falling away from Democracy in the direction of Communism; and he spoke with particular courtesy and friendliness of Czechoslovakia's

[1] Unhappily, the German University at Prague drew attention to itself in a more invidious fashion before the end of the year. On the 22nd October, 1936, a party of Nazi-minded students interrupted an inaugural lecture that was being delivered by Professor Kelsen—a Reichsdeutsch scholar who had been called to Prague after having been evicted from a chair which he had previously occupied at Cologne. Those members of the audience who attempted to stay and listen to him were assaulted and forcibly expelled from the lecture-hall by the brawlers. Professor Kelsen's offence was that he had been the author of the post-war parliamentary constitution of Austria, and the spiritual father of the Weimar Constitution of the German Reich.

relations with Germany. The tone of all three speeches was a blend of conciliatoriness with optimism and resoluteness; and the third of these three psychological elements was translated into action next day, the 20th August, when the President met, at Pardubitz, the military delegations which had been sent by the Jugoslav, Rumanian, French and Russian Governments to attend the largest manœuvres that had ever yet been carried out by the Czechoslovakian Army.

President Beneš's three speeches in the Sudetenland on the 19th August were followed up on the 11th November, at Prague, by a speech delivered in the Chamber of Deputies by his Prime Minister, Dr. Hodža. The Prime Minister first described the measures which by this time had already been taken by the Government for grappling with the problem of unemployment in the Sudetenland, and he then addressed himself to the political aspect of the problem of the German minority. Here he announced a concession on the language question: the Government, he declared, were ready (without going the length of making any changes in the existing text of the Language Law) to enable all the minority communities to conduct their correspondence effectively and without unnecessary hindrances, and to append translations automatically and gratuitously to the correspondence of the district authorities with the communities. Dr. Hodža also held out a prospect of a general settlement of the minorities problem to the satisfaction of both sides by a persistent pursuit of the method of free discussion and agreement. On the other hand, he sharply rejected the claim of the Sudetendeutsche Partei to be treated as the exclusive mouthpiece of the entire German community in Czechoslovakia, and refused to break off relations with the independent German parties (all three of which were now included in the parliamentary coalition on which his Ministry rested),[1] while not refusing in principle to enter into relations with the Sudetendeutsche Partei. In this connexion, however, he made the point that there was a practical, as well as a constitutional, awkwardness in negotiating with a party whose leader on the one hand claimed to exercise a dictatorial authority over his followers, while on the other hand he abstained from seeking election to the Chamber of Deputies.

Dr. Hodža also took Herr Henlein to task for a declaration, made at Eger on the 21st June, against which the Prime Minister had already protested in the Senate at Prague on the 2nd July. He taxed Herr Henlein with having disavowed, on this occasion at Eger, 'the

[1] The entry of the German Christian-Social Party into the Coalition had been announced by Dr. Hodža in his speech of the 2nd July in the Senate at Prague.

essentially good intention and tendency' which had inspired certain antecedent exchanges of views between the representatives of the Sudetendeutsche Partei and those of the coalition of parties which was supporting the Government. And he complained that, in spite of the practical demonstration, which had been given by these exchanges of views, of the genuine possibility of conducting a discussion of important questions, affecting the German minority, between the Sudetendeutsche Partei and the Government, Herr Henlein had proceeded to make a propaganda tour abroad—'as though it were warrantable to assume that a route which ran through Geneva, London and Berlin would be the shortest way from Eger to Prague!'

The abrupt change in Herr Henlein's tone and tactics, to which Dr. Hodža here referred, was indeed attributable, not to any miscarriage of the exchanges of views which had been taking place earlier in the year between the Sudetendeutsche Partei and the Government at Prague, but to an internal crisis, within the bosom of the party itself, which had forced Herr Henlein's hand; and this crisis had arisen just because the Sudetic Führer's negotiations with the Czech Government had borne fruit which was not to the taste of the more militant elements in the party. Out of a laudable desire to give proof of the sincerity of the 'correctness' of his attitude, Herr Henlein had gone the length of agreeing to support, in the Czechoslovakian Parliament, the Bill which eventually became the Law of the 13th May, 1936, for the Defence of the State.[1] He had accordingly instructed the representatives of the party in Parliament to vote in this sense; and when these instructions had evoked protests he had resorted to the use of a Führer's powers and had made known his intention to expel the recalcitrants from the party. It had also become known, however, that the Sudetic Führer's action in this affair was neither supported nor approved in Berlin; and this knowledge had given the rebels heart to persist in their defiance. By the beginning of the second week in June Herr Henlein's offensive against his adversaries had been answered, in the local branches, by threats of secession on so large a scale that the Bohemian Führer had been forced to parley with the rebels and even to give ground before a rebel counter-attack to the extent of consenting to allow his own lieutenant, Dr. Brand, to be arraigned before a 'Court of Honour'. On the 12th June, however, these negotiations had broken down, and accordingly the rebels had absented themselves from a party congress which had met at Eger on the 21st June. It was on this occasion—on which he was re-elected leader of the Sudeten-

[1] See pp. 141–2, above, and 500–1, below.

deutsche Partei by his own faction in the absence of the malcontents —that Herr Henlein delivered the speech for which he was afterwards castigated by Dr. Hodža. In respect of his relation with the Czechs, this speech might indeed be read as a recantation of his previous policy of 'correctness'; for he now expressed himself in terms[1] which were susceptible of being interpreted as a demand for territorial autonomy.

Herr Henlein had evidently made up his mind at this point to sacrifice his immediate prospects of coming to an agreement with the Czechs for the sake of prosecuting his feud with the enemies in his own household; for in the same speech he declined either to reinstate his expelled opponents or to abandon Dr. Brand, while he reiterated his demand for unquestioning obedience from all party members; and in this context his new formulation of his demands was presumably to be interpreted as a bid for retaining his hold upon the rank and file of the party by outdoing his opponents in his display of nationalistic zeal. As it turned out, however, the Sudetic German Führer merely succeeded in embroiling himself with all parties concerned; for, although he duly gave umbrage to the Czechs, his own German followers were not sufficiently appeased to put the rebels out of countenance. The 'Court of Honour' insisted on delivering a judgment which left Dr. Brand no alternative but to resign from his position in the party and to retire from public life; and this gave at least a temporary shock to Herr Henlein's personal prestige and, in consequence, to the corporate vitality of a political party whose unity avowedly depended upon the strength of the personal links between the rank and file and the leader. The outward show of unity was preserved, since the victorious rebels discouraged their supporters from renouncing their party membership. Inwardly, however, the Sudetendeutsche Partei was now affected with a weakness which seemed likely to continue unless and until a genuine unity of command should be restored by the definitive victory of one or other of the two contending and unreconciled factions.

Thus, at the close of the year 1936, the German community in Czechoslovakia seemed less likely than it had seemed twelve months earlier to follow in the wake of the German community in the Reich in the totalitarian direction of a National-Socialist régime. The increasing pressure of Nazi Germany upon all parties in the Czechoslovakian Republic had, in fact, now produced two results which

[1] He demanded 'a definite recognition of a dividing line for our people, and a renewal of the rights of nationalities with an acknowledgment of groups of peoples under responsible leadership.'

were each the reverse of what Herr Hitler must have intended. On the one hand, the unity of the Sudetendeutsche Partei had been weakened by the violence of the pull between the demand for militancy which emanated from Berlin and the moderation which was required of Herr Henlein by the exigencies of his task of dealing with Prague. On the other hand, the Czechoslovakian German parties which had retained their independence and the Czech statesmen who were responsible for the government of the Czechoslovakian Republic had been drawn together by a common fear of being swamped by a Nazi tide which was now not only lapping round three out of the four flanks of Bohemia, but was actually breaking over the crests of the barrier mountains in the foam on the edge of the *Sudetendeutsche Bewegung*.

The outcome of this *rapprochement* will be recorded in the *Survey for 1937*, but it may be mentioned here, by anticipation, that the sequel was destined to convict of an excessive optimism those Czech and those Activist Czechoslovakian German political leaders who had come to the conclusion, towards the turn of the calendar year, that the Sudetendeutsch movement had passed its zenith. The utmost that could be achieved by the wire-pullers in Berlin in defeating their own objects by throwing the ranks of the Sudetendeutsche Partei into confusion was far more than counteracted by the combined effect of two forces that were operating all the time inside the Czechoslovakian frontiers—the economic depression that was still weighing upon the industrial majority of the Czechoslovakian German population and the political campaign of 'Czechization' that was still being pursued in the non-Czech territories of the Republic by the *Alte Kämpfer* of the Czechoslovak Agrarian Party. And before the end of the calendar year 1936 the untoward effects of these two factors were being potently reinforced by the operation of the Law for the Defence of the State which had been passed on the 13th May.

Some account of this far-reaching piece of Czechoslovakian legislation is given in the present volume in another context[1] where it is treated as one of the outstanding landmarks in the race of competitive rearmament which was being run at this time by most of the states of the world. In the present place it is only necessary to glance at the law of the 13th May, 1936, in its local bearing upon the relations between the *Staatsvolk* of Czechoslovakia and the non-Czech and non-Slovak minorities.

From this standpoint, the most pertinent feature of the new law

[1] See pp. 141–2, above.

was that it drew a line between the interior of the country and a zone adjoining the frontiers, and that in this frontier-zone it gave the military authorities extraordinary powers which were so extensive that, where and when they chose to exercise them to the full, the effect would be virtually to suspend the democratic constitution of the Republic and to substitute a reign of martial law. The great majority of the German, Magyar and Polish citizens of Czechoslovakia found their homes included in this new military zone; and the Germans complained that the Czechoslovakian military authorities were using their new powers against the German community in two ways which they denounced as oppressive. On the one hand, they alleged, any German inhabitant of the zone was now exposed to the peril of being arrested and imprisoned for an indefinite period without charge or trial. On the other hand, they alleged that factories situated in the zone that were owned and staffed by Germans were now being forcibly transferred into the interior of the country, where they were operated thenceforth with a labour-force that was now no longer German but Czech. The Czechs, on their side, could defend as much of their alleged conduct as they were willing to admit on the plea that, whatever hardships their German fellow-citizens might suffer incidentally from these measures, the measures themselves were neither malicious nor, *a fortiori*, illegitimate, but, on the contrary, were strictly necessary precautions which would be taken by the responsible authorities of any state in corresponding circumstances. Czechoslovakia, the Czechs could point out, was flanked on three frontiers by Germany; under the Nazi régime, the tone of the Reich towards Czechoslovakia was undisguisedly aggressive; and the territories of the Republic immediately adjoining the Reich were inhabited by a German population who might not unreasonably be suspected of sympathising politically with their fellow-Germans on the other side of the border. In these circumstances, could the Czechoslovakian state safely leave its key-industries to be operated by a Sudetic German personnel within point-blank range of the now once more powerful Reichsdeutsch armed forces? And could they safely leave at liberty any of their Sudetic German citizens whom they suspected of political disloyalty? A strong case could, in fact, be made out by the Czechs in favour of the operation of the law as well as by the Germans against it. And the fact that both parties could so reasonably believe themselves to be in the right was of a nature to increase the misunderstanding and ill-feeling between them.

This was the situation at the turn of the years 1936 and 1937.

(c) The Loosening of the Balkan and the Little Entente

(1) *Old Pacts and New Facts*

In 1936 the increasing pressure of Germany upon the other states of Europe was producing a perceptibly disintegrating effect upon the solidarity of both the Balkan and the Little Entente; and this was not surprising, since neither of these two arrangements in South-Eastern Europe had been made in the first instance with an eye either to Germany in particular or to Europe as a whole.

In the Little Entente Statute and the Balkan Pact alike, the regional limitation of the contract had been of the essence of it. These two South-East European regional groupings were not indeed regional pacts of the Locarno pattern; for the Pact of Locarno offered to both of two possible antagonists an equal measure of benefit from a system of collective security in which the victim of aggression—whichever of the two this might be—could count upon the support of other states which were parties to the arrangement in the capacity of guarantors. By contrast, the Balkan Entente and the Little Entente were regional groupings which embraced one, and one only, of the three sets of parties which were represented in the Locarno system of treaties. In the first place the two South-East European groupings included no guarantors; and in the second place they included in either case the representatives of only one of the two sides which would be arrayed against one another in a future conflict, were this to break out. The two ententes were, in fact, simply two local coalitions of states which had been on the winning side in the war of 1914–18 and which had made territorial acquisitions in the subsequent peace settlement at the expense of two of the defeated countries, namely Hungary and Bulgaria. The Little Entente was a ring, round post-war Hungary, of pre-war Hungary's three successor states;[1] and similarly—though perhaps rather less decidedly—the Balkan Entente was a ring, round post-war Bulgaria, of four states which had all retained, or acquired, certain portions of the territorial heritage of the Ottoman Empire that had been in Bulgaria's hands at one time or another for shorter or longer periods.[2]

[1] There was, however, one other, and rather wider, purpose for which the Little Entente had been brought into existence, and that was to place a joint veto upon a restoration of the Hapsburg Dynasty in either Hungary or Austria.

[2] e.g. Turkey had recovered in the Second Balkan War, and retained ever since, Adrianople and the adjoining parts of Eastern Thrace which had been conquered by Bulgaria in the First Balkan War. Greece had acquired Eastern Macedonia in the Second Balkan War, and Western Thrace in the General War of 1914–18, after the conquest of both these territories from Turkey by Bulgaria in the First Balkan War. Jugoslavia had acquired Northern

The *causae causantes* of the Balkan Entente and the Little Entente were thus the grievances left in Bulgar and Magyar minds by the territorial provisions of the two peace treaties of Neuilly and Trianon. It was the fear of a Bulgar and a Magyar *revanche* that had brought the states members of the two ententes together; and they had been kept together not only by the persistence of this common fear but also by the fact that there was an approximate equality between the respective territorial stakes and the respective military risks which had been pooled by the parties to these post-war anti-Bulgarian and anti-Hungarian mutual insurance associations. The two ententes were further fortified by the consideration that, so long as their respective members did hold together, they could be confident of remaining collectively superior—and indeed overwhelmingly superior—in strength to the particular state against which each of them was directed—always assuming that Hungary and Bulgaria could each be kept in their post-war isolation.

The foregoing analysis of the pre-suppositions on which the two South-East European ententes were based makes it evident that a strain was bound to be placed on their solidarity if and when either or both of two changes occurred in the post-war situation. Supposing that either Hungary or Bulgaria found a Great Power to come forward as its champion, or supposing, again, that some Great Power began to exert pressure upon South-Eastern Europe on its own account, either in co-operation with Hungary and Bulgaria or entirely *auf eigene Faust*, then a new situation would have arisen which would put the two ententes to the test.

The first-mentioned of these two possible new developments had,

Macedonia after it had been conquered by Bulgaria twice over—first from Turkey in the First Balkan War and secondly from Jugoslavia herself in the General War. Finally, Rumania had acquired in the Second Balkan War, and recovered in the peace settlement after the General War, a slice of the Dobruja which had been assigned to Bulgaria at her creation in 1878 and had been continuously held by Bulgaria thereafter until 1913. Thus the motive of entering into an arrangement for collective insurance with other states that were likewise in possession of some Bulgarian *terra irredenta* may be presumed to have counted for something with each of the four states members of the Balkan Entente. At the same time, the anti-Bulgarian intention of the Balkan Entente was less strongly pronounced than was the anti-Hungarian intention of the Little Entente. As has been recorded in a previous volume (the *Survey for 1934*, Part III D, section (i)), considerable efforts were made to persuade Bulgaria to become an original member of the Balkan group before her four neighbours regretfully constituted the group without her participation; and there were also other factors at work which had no direct connexion with Bulgaria: e.g. the previous reconciliation between Greece and Turkey (see the *Survey for 1930*, Part II B, section (iii)) and a growing fear of Italian aggression.

in fact, begun to make itself felt from 1926 onwards,[1] as soon as Italy had begun to pursue the Mussolinian policy of gaining a foothold in South-Eastern Europe by enlisting the discontented South-East European countries as satellites of a Great Power who had now declared herself a convert to the cause of treaty-revision.[2] The effect of this new departure in Italian policy upon the Little Entente had been twofold. The general effect had been to move all three states members of the Little Entente to enter into closer relations with France as a method of reinsurance against the new *rapprochement* between Italy and Hungary. A second effect had been to upset the original equality of risks as between the three partners themselves. The effect of the Italian pressure was to place Jugoslavia in greater jeopardy, both politically and strategically, than either Rumania or Czechoslovakia—politically because Italy had a quarrel of her own with Jugoslavia which she had not with either of Jugoslavia's allies, and strategically because Jugoslavia—again alone of the three—now found herself caught between two fires with a hostile Italy to the west as well as a hostile Hungary to the north of her. If the Little Entente was successful in surviving the crisis which was thus brought upon it by Italy's aggressive policy in South-Eastern Europe, that was because the severity of the crisis was proportionate to Italy's strength as a Power; and even a Fascist Italy was not an international force of the first order of magnitude. The Little Entente, and the Balkan Entente as well, was subjected to a far more exacting test when the Italian pressure, which had begun to make itself felt in 1926, was duplicated, as it was from 1933 onwards, by a harder pressure from a National-Socialist Germany.

The first signs of the effect of this new German pressure upon South-Eastern Europe have been noted in previous volumes in this series.[3] In 1936 the symptoms became still more palpable, and, in a more acute form, they corresponded, *mutatis mutandis*, to those

[1] The other possible development—that is, the exercise of pressure by a Great Power acting by itself, and not in concert with either Hungary or Bulgaria—had confronted Rumania from an earlier date. Since the very morrow of the peace settlement, Rumania had found herself at loggerheads with the Soviet Union over the question of Bessarabia (see the *Survey for 1920–3*, Part III, section (ii) 4; the *Survey for 1924*, Part I C, section (vii); the *Survey for 1927*, pp. 297–30; the *Survey for 1929*, pp. 66 *seqq.*), and she had taken out a separate collective insurance policy against this Russian danger in the shape of the Rumano-Polish treaty of the 3rd March, 1921. (See the *Survey for 1920–3*, Part III, section (ii) 3 (*f*).)

[2] See the *Survey for 1926*, pp. 156 *seqq.*; the *Survey for 1927*, Part II C, section (i); and the *Survey for 1928*, Part II, section (i).

[3] See the *Survey for 1933*, Part II, section (i) (*d*) (6); the *Survey for 1934*, Part III A.

which had begun to manifest themselves, under the stress of Italian pressure, ten years before. In this case, as in that, there was a two-fold effect: the general and the particular. The general effect was to move the states members of the two South-East European ententes to seek a counterpoise to Germany in some rival Great Power; and as they had previously turned towards France for support against Italy, so now, in looking for support against Germany, they showed an inclination to turn towards Russia. Whereas, however, in the previous crisis, all three states members of the Little Entente had gone the length of making alliances with France, Czechoslovakia alone out of the five states members of the two ententes took the decisive step, in 1935, of seeking reinsurance against the new German menace by entering into an alliance with Russia as a reinforcement to the French ally of the foregoing period.[1] In face of this new and momentous question of policy, all the other four states flinched from contracting a commitment which would involve them in war with Germany in the event of another general European catastrophe;[2] and this parting of the ways between the policy of Czechoslovakia on the one hand, and that of Jugoslavia, Rumania, Greece and Turkey on the other, was the consequence of the particular effect which the new pressure from Germany had produced on the South-East European political situation.

This particular effect of the German pressure was similar in kind to that of the previous Italian pressure. The original equality of risks and stakes as between the parties to the two South-East European ententes was now still further upset—but with the double difference that this time the disequilibrium was far more extreme and that the state which was now in special jeopardy was Czechoslovakia instead of Jugoslavia.

By this time Jugoslavia and Czechoslovakia had indeed exchanged their rôles—for the Jugoslavian Prime Minister, Monsieur Stojadinović, was making no empty boast when he declared on the 7th July, 1936, in a speech delivered at a meeting of the central committee of the Jugoslav Radical Union, that 'Jugoslavia's position is stronger

[1] Turkey, of course, already had a friendship with Russia which was of old standing—dating, as it did, from 1921.

[2] The considerations in the minds of the rulers of the four countries in question were, however, only partially identical; for whereas Turkey was influenced by a wish to keep out of trouble with Germany, in spite of her own friendship with Russia, the Serbs—or, at any rate, the Karageorgević Dynasty—were moved by a sympathy with the fallen Czardom which would have led them to reject the idea of a *rapprochement* towards the Soviet régime, even if the German factor had not entered into the reckoning.

to-day than it has ever been'. By this date Jugoslavia was benefiting from a *détente* in her relations with Hungary and Italy; her relations with Bulgaria had improved to a point at which a Bulgaro-Jugoslav *rapprochement* was on the eve of being given the juridical form of a pact; and, above all, Jugoslavia was being actively courted by Germany. On the other hand, Czechoslovakia was now in the position, from which Jugoslavia had lately escaped, of being caught between two fires, with a hostile Hungary on one side of her and a hostile Germany on three others—not to speak of the simultaneous hostility of Poland on her northern flank.[1] The extremity of the danger in which Czechoslovakia thus found herself tempted her South-East European associates to loosen the ties that had hitherto bound them to her—as strongly as the same danger moved Czechoslovakia herself to strengthen her own links with France and Russia. And thus the five South-East European anti-revisionist states, in their relations with one another, were now faced with the question whether a pair of ententes which had originally been made mainly with an eye to Hungary and Bulgaria should be built into a larger structure of alliances covering Europe as a whole and involving the risk of a collision not only with Hungary and Bulgaria but also with Italy and Germany, or whether the original arrangements would cease to be operative, even within their narrow regional limits, now that the two local vortices of post-war political disturbance round Hungary and round Bulgaria were being caught up into a maelström of European dimensions.

In recording the events of the year 1936, in which this question was working its way towards a practical answer, it may be convenient to survey in the first place those transactions in which the machinery of the Little Entente was still operating within its original limits: that is to say, in relation to Hungary. In the next place we may take note of the Little Entente countries' attitude towards Austria; for while, during the earlier post-war years, the South-East European successor states of the Hapsburg Monarchy had looked at Austria and Hungary in very different lights, there was now a certain tendency for their common front against Hungary to prolong itself into a front against Austria as well, owing to the affinity of Austrian to Hungarian policy on the three points of reliance upon Italy, rearmament and the restoration of the Hapsburg Dynasty.[2] In the third

[1] See the *Survey for 1935*, vol. i, Part I, section (vii) (*e*).

[2] As regards the last of these three points, the Hapsburg Legitimist movement in Hungary could perhaps hardly be compared with the corresponding movement in Austria in point of strength. Indeed, there was one school of

place, we may trace the history of the *rapprochement* between Jugoslavia and Bulgaria and of the effects of this upon the solidarity of the Balkan Entente, with its originally anti-Bulgarian *raison d'être*. Finally, we may trace the tendency in Rumania to make at least a feint of sheering off from Czechoslovakia under the pressure of the threat from Germany, and the analogous but more strongly pronounced tendency in Greece, under the same pressure, to break away from both Rumania and Jugoslavia.

(2) *The Little Entente vis-à-vis Hungary and Austria*

The movement for the rearmament of Austria and Hungary and the movement for a restoration of the Hapsburg Dynasty in one or other country or in both were fruits of the virtual protectorate which had now been established over these two mutilated Danubian states by Italy.[1] This Italo-Austro-Hungarian political constellation was an accomplished fact to which neither Germany nor the states members of the Little Entente had any title to raise an overt objection. The Little Entente, however, could and did protest—though this perhaps to no great effect—against the two forms of self-assertion in which Hungary and Austria were now at liberty to indulge under Italy's aegis.

The prospect of a restoration of the Hapsburg Dynasty in any of the dynasty's former dominions was a bugbear to all three of the Little Entente Governments. The hostility to the idea was perhaps strongest at Belgrade, where a movement to reinstate the Hapsburgs at Budapest, or even at Vienna, was regarded as tantamount to a threat to the integrity and indeed to the existence of Jugoslavia.[2]

monarchists in Hungary which was bent upon setting some other dynasty than the Hapsburgs upon the Hungarian throne (on this point see further p. 508, below).

[1] See the *Survey for 1934*, Part III C, section (ii).

[2] The Karageorgević Dynasty had a family tradition of hostility towards the Hapsburgs; and the Serbs in general seem to have feared that an Austria which had recovered her strength after a Hapsburg restoration might perhaps one day find her opportunity for taking her revenge against Jugoslavia for the murder of the Archduke Francis Ferdinand and the break-up of the Monarchy. (Baron Wiesner, who was now the leader of the Legitimist movement in Austria, had been commissioned in 1914 to conduct an official Austrian inquiry into the Serbs' responsibility for the Sarajevo murders.) The Serbs may also have been afraid that a Hapsburg reinstated in Vienna might exert a political attraction upon Croat citizens of Jugoslavia who had a family tradition of military service under the Hapsburg Dynasty. This fear, if present in Serb minds, had little foundation, for by this time these Croat military families had lost influence over their fellow-countrymen. The idol of the Croat peasantry was now Stepan Radić—a Croat leader who had been uncompromisingly anti-Hapsburg as well as anti-militarist.

There was, however, little difference in the strength of the feeling on this point between Belgrade and Prague; and while the Little Entente continued to be more sensitive about Hungary than about Austria in the matter of rearmament, it was Austria that gave the greater anxiety in the matter of the threat of a Hapsburg restoration.[1]

In Hungary, at this time, the educated classes were monarchists on the whole, but the Legitimists, who favoured a restoration of the Hapsburg Dynasty, were neither the only nor even the more influential of the two rival schools, though they may have been the stronger in numbers. The Legitimist movement was supported by the magnates, by the Catholic clergy, by the German minority, by the strongly Catholic Magyar population of certain parts of Transdanubia, by the Catholic and Jewish bourgeoisie in Budapest, and even by a section of the Social Democrats. The rival school of monarchists, which stood for the principle of free election, was strong in the support of the gentry, who staffed the civil service and thereby controlled the machinery of state. And this school was also identified to some extent with the Protestant interest. In the years 1935 and 1936 Hungary was, however, showing little sign of being acutely dissatisfied with her post-war régime as a monarchy administered under a perpetual regency.[2] This might, indeed, be regarded as a rather felicitous arrangement from the standpoint of a ruling aristocracy whose two political ideals were conservatism and oligarchy. And there was no indication that the masters of the Hungarian State were impatient to escape from the happy constitutional paradox into which they had stumbled in 1920. Nor, if the Magyar oligarchs were, after all, to come to the conclusion one day that it would be to their advantage to place a living puppet upon the empty throne at Budapest, did it by any means follow that they would adopt the Legitimist prescription of casting a Hapsburg Archduke for the rôle of King Log; for it was rather in the rôle of King Stork that the Hapsburg had figured in Hungarian history; and this disagreeable picture

[1] The two questions of the restoration of the Hapsburg Dynasty and the reconstruction of the Army were not altogether unconnected in Austria—as is illustrated by the fact that one of the first acts of Dr. von Schuschnigg's Government, after the reintroduction of compulsory military service on the 1st April, 1936, was to give the new regiments historic names drawn from the military annals of the Hapsburg era.

[2] On the one hand, Hungary had been proclaimed a monarchy in a law of 1920 which provided for the 're-establishment of a constitutional régime and the provisional organization of the supreme power'. On the other hand, the Hungarian Government had pledged themselves to the ex-victors in the War of 1914–18 never to place a member of the Hapsburg Dynasty on the Hungarian throne (see the *Survey for 1920–3*, pp. 296–7; the *Survey for 1927*, p. 203).

had been graven so deeply on Magyar minds by the memories of 1848–67 that it seemed unlikely to be erased before many centuries had passed. Indeed, the Hapsburg had been a more or less odious figure in Magyar eyes ever since he had been first called in as a necessary evil, for the sake of keeping out the 'Osmanli, on the morrow of the Battle of Mohács; and his disappearance in 1918 from the Hungarian political scene was the one good thing that had come out of an otherwise disastrous war in the opinion of many Magyar patriots—including the Calvinist Regent, Admiral Horthy, and the Lutheran Prime Minister, General Gömbös, who effectively increased the hold of the Protestant anti-Hapsburg party on the civil service during his term of office.

To this Hungarian picture of the Hapsburg Dynasty the Austrian picture presented a striking contrast. The dynasty which in Hungary had been an incubus had in Austria been an asset. While it had profited by Hungary's adversity it had made Austria's fortune. And in suppressing Hungarian liberties it had created an Austrian Empire. Vienna had become what she was as the cosmopolitan capital of a Danubian Hapsburg Monarchy and not, like Munich in Bavaria or Dresden in Saxony, as the provincial capital of a German *Kleinstaat*. Thus Austria's destiny—if she was to have any destiny of her own as a separate political entity—was closely bound up with the Hapsburg connexion; and in attempting to foster a sense of 'Austrianity' in other than dynastic terms Dr. Dollfuss and Dr. von Schuschnigg after him had been engaged in a *tour de force*. In repressing the Austrian Social Democrats with one hand and the Austrian National Socialists with the other, they had created an ideological vacuum in Austrian souls which it would have been far easier to fill by the restoration of a familiar dynasty than by the inauguration of a new-fangled commonwealth on a corporative and clerical basis. The urgency of filling this vacuum with something substantial was proportionate to the pressure which was being exercised at this time on a clerical-corporative Austria by a National-Socialist Germany;[1] and in these circumstances it was natural that the anxieties of the statesmen of the Little Entente over the Hapsburg question should have been concentrated upon Austria and not upon Hungary in 1935 and 1936.

When, on the 30th April, 1934, a new Austrian Constitution was promulgated,[2] from which the provision for the maintenance of the

[1] See the *Survey for 1933*, pp. 188–93; the *Survey for 1934*, Part III C, section (i); as well as the present volume, pp. 447 *seqq.*, above.

[2] See the *Survey for 1934*, pp. 464 *seqq.*

anti-Hapsburg laws of the 3rd April, 1919, was absent, it was expected that the formal cancellation of the laws themselves would not be long delayed. This next step was actually taken in July 1935, when Dr. von Schuschnigg's Government obtained the approval of the new Federal Chamber for a Bill which restored to members of the Hapsburg family part of the property of which they had been deprived in 1919, and gave them the right once more to reside in Austria. The reactions of the Little Entente states to this move were prompt and energetic. On the 14th July the semi-official *Prager Presse* published an article on the subject which was believed to have been written by Dr. Beneš himself or under his direct inspiration. This article denied emphatically rumours that Czechoslovakia had in any way weakened in her opposition to a Hapsburg Restoration.

> Everyone who knows the situation in Central Europe will understand that, not merely the return of the Hapsburgs, but any discussion of the subject is absolutely unacceptable to every one of the Little Entente states.
>
> None of them would tolerate that responsible representatives of the Hapsburg Dynasty should settle down in the neighbouring Austria. The whole Little Entente is unanimous and is prepared to take the last consequences of its decision in opposing, not merely a restoration, but even the mere return of Otto and Zita to Austrian soil.

A statement to the same effect was made by the Prime Minister of Jugoslavia, Dr. Stojadinović, in Belgrade on the 27th July. In so far, he said, as the new Hapsburg Law could be regarded as a purely internal affair for Austria, Jugoslavia would naturally not interfere in the matter, but he must make it clear that a return of the Hapsburgs could in no circumstances be regarded as an internal question. To a restoration of the Hapsburgs Jugoslavia and the other members of the Little Entente were absolutely opposed, and he was glad to be able to say that he had received reassuring explanations on the subject from the Austrian Government.

Dr. Stojadinović returned to the question of the Legitimist movement in Austria in a speech which he delivered in the Skupsčina on the 6th March, 1936, a passage from which may be quoted as a representative pronouncement on the subject:

> Jugoslavia had never understood nor approved of the Legitimist propaganda in Austria. The restoration of the Hapsburgs would inevitably lead to conflict and be of grave consequence to the peace of Europe. As a real friend of peace Jugoslavia must a second and a third time say 'No' to this. With Austria Jugoslavia desired real and loyal co-operation for the mutual benefit of the two countries. She would

miss no opportunity to strengthen in particular economic and cultural relations of this kind, but she had a right to expect that her neighbour would avoid everything likely to vitiate those efforts and bar the road to a *rapprochement*.

A three-Power declaration to the same effect was made in the following passage of the *communiqué*[1] on the meeting of the Little Entente Council at Belgrade on the 6th–7th May:

> Because of their wish to safeguard peace, which is itself the greatest blessing for all peoples, [the Little Entente states] have always been most strongly opposed to anything that might have disturbed the present state of things in Central Europe. It is for this reason that they have always supported the policy of the Western Powers with regard to maintaining the independence of Austria, and that they are opposed to the alteration of frontiers by a mischievous policy of revisionism and to the return to the throne of a dynasty whose power would inevitably some day provoke a war in the Danubian Basin.

These considerations regarding the dynastic question were doubtless already in the minds of the statesmen at Belgrade, Prague and Bucarest when they were confronted with the passage of the Austrian Government's conscription bill into law on the 1st April.[2] The first of the Little Entente statesmen to make a public pronouncement on the Austrian *fait accompli* was the Prime Minister of Czechoslovakia, Dr. Hodža, who declared, on the 3rd April, in a statement to the press, that the introduction of conscription in Austria in this fashion would be condemned by everybody who cherished the principle of the sanctity of treaties. On the 6th April identical notes of protest, in this sense, were presented to the Austrian Government by the diplomatic representatives of the three Little Entente Governments at Vienna.

A similar reaction was evoked from the Little Entente by a passage in the final *communiqué* of the Italo-Austro-Hungarian Conference which was in session at Vienna on the 11th–12th November.[3] In this passage, the three parties declared their unanimous agreement over the Austrian and Hungarian Governments' point of view in regard to equality of rights in the matter of armaments. Identical statements referring to this passage were issued by the three Little Entente Governments on the 14th of the same month. They recalled 'that in May 1933 they had specifically accepted the principle of equal rights in armaments, though on condition that this principle should be realized in mutual agreement and that precise guarantees

[1] For this *communiqué* see further p. 521, below.
[2] See the present volume, pp. 137, 426–7, above.
[3] See pp. 440–2, above.

of security should be given.' And the esoteric meaning of this superficially innocuous reminiscence was explained in a semi-official commentary which was published in Prague on the same day. The statement was here interpreted as implying a demand that Hungary should refrain from taking any steps towards rearmament without having previously secured the consent of the Little Entente; and this demand in turn was interpreted as implying a threat that, if Hungary were to ignore this warning, the Little Entente states would meet unilateral action on her part by corresponding action on their own.

It will be observed that, *vis-à-vis* both Hungary and Austria, the Little Entente was still alive in 1936.[1] It remained to be seen, however, whether, in the international situation of the day, the machinery for concerted action which the Little Entente provided could in practice be put into operation against either Hungary or Austria without precipitating the intervention of one, or more than one, of the Great Powers of Europe.

(3) *The Rapprochement between Jugoslavia and Bulgaria and the Signature of the Bulgaro-Jugoslav Pact of the 24th January, 1937*

The movement for a reconciliation between Jugoslavia and Bulgaria which had been on foot in both countries—with certain hesitations and temporary set-backs on the Bulgarian side—for the past seven years,[2] came to a head in the year 1936 and bore fruit in the signature of a pact of friendship between the two Governments on the 24th January, 1937.

The calendar year which brought Jugoslav-Bulgarian relations to the verge of this achievement had opened auspiciously with an exchange of greetings between the Bulgarian Prime Minister, in his capacity as Honorary President of the Bulgarian-Jugoslav League, and the Jugoslav President of this society. Thereafter, on the 17th–19th February, King Boris of Bulgaria paid a two days' visit to Belgrade, and on the 3rd September he stayed in Jugoslavia again —this time at Bled, as the guest of the Regent, Prince Paul—on the last stage of his journey home after an extensive tour abroad.

[1] A further indication of the continued vitality of the Little Entente was afforded by the signature, on the 14th July, 1936, of an agreement by which the Czechoslovak Government granted Rumania two credits, one for 200,000,000 crowns to finance Rumanian purchases of Czechoslovakian armaments, and another for 90,000,000 crowns which was to be used for the development of strategic roads and railways as well as for the adjustment of the clearing account between the two countries (see p. 144, above).

[2] See the *Survey for 1930*, p. 147; the *Survey for 1931*, pp. 330, 332, 337, 338*n.*, 339, 342–5; the *Survey for 1934*, pp. 352, 511 *seqq.*

Two days later a delegation of high ecclesiastics of the Bulgarian Orthodox Church arrived in Belgrade to return a visit which had been paid to Bulgaria by a delegation representing the Serbian Orthodox Church in April 1933. On the 12th October the Bulgarian Prime Minister, Monsieur Kiosseivanov, on his way home from Geneva, where he had been attending a session of the Assembly of the League of Nations, had a meeting at Belgrade with the Jugoslavian Prime Minister, Monsieur Stojadinović; and on the 3rd November Monsieur Stojadinović, on his way home from a visit to Angora, broke his journey at Krichim, in Southern Bulgaria, for a meeting with King Boris and with Monsieur Kiosseivanov.

These preliminary steps were followed up on the 10th November by a public statement from the mouth of Monsieur Kiosseivanov in which a definite agreement was unmistakably foreshadowed.

> There is no one in Bulgaria to-day who is not a sincere supporter of a policy of *rapprochement* between our two brother nations. In spite of all past conflicts our two nations are so near to one another in blood relationship, in language and in customs that they almost feel themselves to be one nation and not two. There are no questions of any kind still awaiting settlement between us, and it is now only necessary for us to give the policy of *rapprochement* a definite shape so that it may be the more fruitful for the well-being and progress of our nations.

Soon after this a 'precise proposal' was submitted by the Government at Sofia to the Government at Belgrade.[1]

Before taking this positive step the Bulgarian Government had evidently been able to satisfy themselves that their proposal would be welcome at Belgrade; but the agreement which was now ardently desired in both countries could hardly be entered into by the Jugoslavian Government with either honour or advantage unless and until they had secured the approval of their associates in the Balkan Entente.

These other three states—Rumania, Greece and Turkey—were legitimately concerned in a proposal for a bilateral agreement between one member of the Balkan Entente and the state against which the entente was—at least in some degree—directed. And this inevitable concern of the other parties to the Balkan Entente was increased in this case by the consideration that the particular member of the group who was now holding out the hand of reconciliation to Bulgaria happened to be Jugoslavia.

To the minds of Jugoslavia's Balkan allies the present change in Bulgaro-Jugoslav relations was not only rather surprising but also

[1] Statement of the 2nd January, 1937, by Monsieur Kiosseivanov to a special correspondent of *Le Temps* at Sofia (*Le Temps*, 3rd January, 1937).

rather disconcerting in the light of recent history; for, while the problem of dividing the heritage of Turkey-in-Europe had set Bulgaria at variance with all the other European successor states of the Ottoman Empire, her quarrel with Jugoslavia had been the bitterest —and this because the bone of contention between the two Slav successor states of Turkey was both the largest and the dearest of all the Bulgarian *terre irredente*. This apple of discord was Northern Macedonia, which had remained in Serbian hands at the end of the struggles of 1912–18; and, so long as the Bulgaro-Jugoslav feud over Northern Macedonia smouldered on, the Greek, Rumanian and Turkish holders of other territories to which Bulgaria also still laid claim could cherish the comfortable assurance that they were no more than secondary targets of a Bulgarian resentment which was concentrated upon Jugoslavia. As a result of the Graeco-Turk and Graeco-Bulgar exchanges of population Southern Macedonia had become almost as uniformly Greek in population as it was in the colouring of the political map; the non-Ruman population which had been transferred from Bulgarian to Rumanian rule in the Southern Dobruja included more Turks than Bulgars; and the Thracian territories which had been retained by Turkey were no longer an object of Bulgarian covetousness. At the same time there were still certain outstanding disputes between Rumania and Bulgaria and between Greece and Bulgaria which might again become troublesome for the non-Bulgarian parties to them if they could no longer count upon benefiting by the cover which the greater acerbity of the Bulgaro-Jugoslav dispute had hitherto afforded them. The Bulgar minority in the Southern Dobruja, small though its numbers were, had grievances, which found an echo at Sofia, over the treatment which it was receiving from the Government at Bucarest; and the Graeco-Bulgar exchange of populations had generated a financial dispute between Sofia and Athens which was still unsettled.[1] On this account the prospect of a Bulgaro-Jugoslav reconciliation aroused Rumanian and Greek misgivings which could not be ignored at Belgrade.

Steps had already been taken to reassure Jugoslavia's allies before the Bulgarian Government addressed their proposal to Monsieur Stojadinović. For example, a conference of the General Staffs of the four states members of the Balkan Entente had been held at Bucarest on the 4th November; and at Sofia, on the 10th November, Monsieur

[1] See the *Survey for 1925*, vol. ii, Part II E, section (vi); the *Survey for 1927*, p. 216; the *Survey for 1931*, pp. 347 *seqq.*; the *Survey for 1932*, pp. 145–6 *n.*, 169–70 and *n.*; and the *Survey for 1934*, pp. 516–17.

Kiosseivanov had been careful to declare, in his public statement of that date, that the Bulgaro-Jugoslav *rapprochement* was not directed against any third party and therefore need cause no third party any apprehension. After the receipt of Monsieur Kiosseivanov's subsequent proposal, Monsieur Stojadinović set himself to win his associates' assent; and he appears to have succeeded in overcoming the Rumanian Government's objections—which were the chief obstacle in his path—at a shooting party in Rumania at which he was a guest over the last week-end of December. Meanwhile the Turkish Minister for Foreign Affairs, Monsieur Aras, had been seconding Monsieur Stojadinović's efforts in Rumania by paying a personal visit on his own part to Greece; and in a public statement which he made at Athens on the 30th December he expressed the opinion that 'the conclusion of a Jugoslav-Bulgarian Pact would be in harmony with the activities of the Balkan Entente'. The way was now clear; and on the 31st December the Jugoslavian Government announced that they had accepted the Bulgarian proposal after having secured the approval of Rumania, Greece,[1] Turkey and Czechoslovakia.

It only remained to gather in the harvest; and a Bulgaro-Jugoslav pact was duly signed by MM. Stojadinović and Kiosseivanov at Belgrade on the 24th January, 1937, and was brought into force forthwith by an exchange of ratifications next day.

This notable diplomatic instrument was drawn in a laconic style.

> Art. 1. There shall be inviolable peace and sincere and perpetual friendship between the Kingdom of Jugoslavia and the Kingdom of Bulgaria.
>
> Art. 2. The present treaty shall be ratified and the ratifications shall be exchanged at Belgrade as soon as possible. It shall come into force upon the exchange of ratifications.

This brevity was statesmanlike; for any attempt to bring Bulgaria into formal membership of the Balkan Entente, or to extract from her an overt renunciation of her unsatisfied territorial claims, would have defeated the common aim of the two authors of the treaty by exasperating Bulgar feelings instead of mollifying them. The meaning of the new pact was, however, made clear in the speeches which the two Prime Ministers exchanged on the same day. Monsieur Stojadinović addressed himself as follows to his Bulgarian colleague:

> Your visit here to-day is, without question, an event of great importance. You have come to sign a political pact with us by which a past which has not been a very happy one for the Balkans is to be liquidated and forgotten. At the same time this pact opens up a new era of political relations full of hope for a new development of the general situation in

[1] Greek misgivings were perhaps not completely dispelled.

this part of Europe. A period of history has come to an end, and we are firmly convinced that it has come to an end for ever. Experience has shown us the need for creating between ourselves a relationship of brotherhood and sincere union, and we may therefore hope that this pact, which corresponds exactly to the wishes of our two countries, will have the desired effect. There exists no longer, and there never will exist in future, anything that might separate us.

Monsieur Kiosseivanov responded in the following terms:

The treaty of perpetual friendship which has been signed to-day sets a seal on the friendly relations which exist between the Kingdom of Jugoslavia and the Kingdom of Bulgaria. For my part I am happy to be able to lay stress on the fact that nothing henceforth can ever weaken the bonds of friendship between the two brother nations. At the same time this pact is a valuable contribution both to the efforts for the maintenance of peace in the Balkans and to the establishment of a collaboration which will be to the advantage of all the Balkan peoples.

The sincerity of these utterances was unquestionable, and the signature of the Bulgaro-Jugoslav Pact of the 24th January, 1937, was as notable an event in the history of South-Eastern Europe as the signature of the Graeco-Turkish Pact of the 30th October, 1930.[1] It was, indeed, perhaps an even more remarkable achievement, for by the year 1937 the Bulgaro-Jugoslav feud, which was thus brought to an end, was more than a thousand years old[2]—that is to say, a full hundred years older than the parallel feud between the Greeks and the Turks, who did not begin to cross each others' paths before the second quarter of the eleventh century.

In this case, as in that, the reconciliation was the more noteworthy because the feud had never been so bitter as in its latest stage when these age-long foes had been furiously contending for the spoils of the Ottoman Empire under the prick of the spur of an exotic Western concept of nationality. The reconciliation of two long-estranged Byzantine Slavonic peoples put Western Christendom to shame in a year in which the Germans and French and Italians and English were feverishly rearming against one another.

(4) *The Inclination towards Isolation in Greece and in Rumania*

Of the five states members of the two South-East European ententes, Greece and Rumania were the two whose Governments were confronted with the most difficult problems of foreign policy by the course of international events in 1936. Jugoslavia, reconciled

[1] See the *Survey for 1930*, Part II B, section (iii).

[2] The beginning of this Bulgaro-Jugoslav feud may be dated from the reign of the Bulgarian Czar Simeon (*imperabat* A.D. 893–927), who had come into conflict not only with the Serbs but also with the Croats.

with Bulgaria and courted by Germany, could—comparatively speaking—sit at ease; Czechoslovakia, now menaced by the ambitions of Germany and Poland as well as by the grievances of Hungary, was in so unmistakably perilous a position that she plainly had no choice except to rearm to the limit of her capacity and hold fast by her alliances with France and Russia; Turkey was sufficiently remote from the German storm-centre of the European tornado to dare, even at this hour, to indulge in the luxury of a dispute with France over a patch of territory on the fringe of Syria;[1] but for Greece and Rumania the problem was not so simple. In a situation in which the two South-East European ententes now seemed unlikely to be able to fulfil their original functions within their original regional limits, the statesmen at Athens and Bucarest were being compelled to face a choice between maintaining their existing system of collective security against Bulgaria or Hungary at the price of merging it in a wider system of European range which might bring them into collision with Germany, or else withdrawing into an isolation which would leave them to cope single-handed with a Bulgarian or Hungarian *revanche*, and which might also expose them to the danger of falling under the domination of a Germany who was making no concealment of her belief that the post-war principle of collective security, regional and oecumenical, was the main obstacle in the path of the achievement of German ambitions.

In both Greece and Rumania at this time there was so close and constant an interplay between foreign and domestic policy—with the conflict of ideologies[2] as the link between the two—that the decisions taken by the statesmen in the international field were apt to be influenced by domestic considerations instead of being taken exclusively on their merits on the criterion of the interests of the whole body politic. In both countries the year opened in an atmosphere of acute uncertainty and agitation in the domestic political arena, and it did not close in either country without having witnessed a sensational political change: in Rumania a change of personnel and in Greece a change of régime. In Greece on the 6th August the Prime Minister, General Metaxas, swept away the existing parliamentary democratic constitution and substituted for it a personal dictatorship with a corporative programme. In Rumania on the 29th August the Prime Minister, Monsieur Tatarescu, resigned office in order to reassume it on the 30th with a Cabinet in which the only, but supremely important, change was the exclusion of Monsieur Titulescu and the

[1] See the present volume, Part V, section (iv).
[2] See the Introduction to the present volume.

appointment, in his place, of Monsieur Antonescu to the Ministry of Foreign Affairs.

The fall of Monsieur Titulescu was an event not merely of Rumanian but of European import; for this Rumanian statesman had been one of the creators and preservers of the two South-East European ententes and at the same time a convinced and active supporter of the wider system of collective security which was embodied in the League of Nations. He had thrown himself whole-heartedly into the international effort to vindicate the Covenant of the League in the test case of the Italo-Abyssinian conflict;[1] his overthrow in the summer of 1936 by his adversaries on the Rumanian home front was, at least in part,[2] a consequence and a symptom of the severity of the reverse which the League had by that time experienced; and his disappearance at this moment from the international scene was one of the more momentous of the effects in Europe of the tragedy in Africa; for Monsieur Titulescu had been the principal advocate, among the statesmen of the lesser states members of the League, of the strategy of a united front of all the potential victims of aggression against all the potential aggressors; and the position occupied by Rumania on the post-war political map of Europe gave the Rumanian Government a voice which would be only less decisive than Poland's in determining whether the policy of international solidarity should prevail, among the lesser states on Germany's eastern flank, over the policy of isolation. On this account the news of Monsieur Titulescu's fall was received with dismay in Geneva, Paris and Moscow, and with jubilation in Rome and Berlin. And, although Monsieur Tatarescu hastened to declare that his change of Foreign Ministers implied no change of foreign policy, it seemed probable that, in perspective, the reconstruction of the Cabinet at Bucarest on the 29th–30th August, 1936, would present itself as an event of comparable importance to the publication of King Leopold's *exposé* of Belgian policy at Brussels on the 14th October of the same year.

General Metaxas, for his part, was equally prompt, after his own *coup* of the 5th August at Athens, in declaring that there would be no change of foreign policy in Greece; and in this case the conventional declaration was not necessarily to be interpreted as meaning the

[1] See the *Survey for 1935*, vol. ii, pp. 84, 195, 224.

[2] The reasons for the overthrow of Monsieur Titulescu seem to have been also partly of a personal nature. At this stage in his career, this experienced and esteemed Rumanian statesman seems to have fallen into a rather high-handed way of treating his own Rumanian countrymen and colleagues; and this manner seems to have aroused the resentment of both King Carol and Monsieur Tatarescu (see p. 523, footnote, below).

opposite of what it professed to say. For one thing, the foreign policy of Greece had been inclining towards isolation for some time before General Metaxas assumed his dictatorship, whereas in Rumania the force of Monsieur Titulescu's personality had kept the country's foreign policy on a collective basis long after the tide of Rumanian public opinion had turned in the direction of isolation. And in the second place General Metaxas's motives in making his *coup d'état* appear to have been almost entirely concerned with the ideological struggle on the Greek home front, whereas the choice between alternative foreign policies was manifestly the issue on which Monsieur Titulescu was discarded by Monsieur Tatarescu in the reconstruction of the Rumanian Cabinet.

With this preface we may now proceed to trace the course of Greek and Rumanian policy in 1936, on this issue of isolation versus solidarity, in greater detail.

In March 1936 a flutter was produced in Athens by the circulation of a rumour—apparently emanating from Monsieur Venizelos—that, in pledging Greece to participation in the Balkan Pact in February 1934,[1] the Foreign Minister of the day, Monsieur Maximos, had committed his country more deeply than he had admitted in the account which he had subsequently rendered to the Parliament at Athens on the 15th March.

The resulting public controversy moved Monsieur Demertzis, who was Prime Minister at the moment, to issue two *communiqués* on the subject. On the 12th March he declared that 'no Greek Government' had 'ever entered into any commitment to the Little Entente with regard to Central Europe'; and on the 14th he declared further that, according to his information, Monsieur Maximos had obtained, on the occasion in question, the assent of all the other signatories of the pact to his own thesis that, in becoming a party to the pact, Greece was not contracting an obligation to take part in a war against any non-Balkan Power. This public controversy in Greece in the spring of 1936 was given point by the approach of the date of the next meeting of the Balkan Entente Conference. On the 6th April it was reported from Athens that, at a meeting of the party leaders, a complete agreement had been reached on all questions relating to the foreign policy of Greece, including the Balkan Pact, and that the Greek delegation to the forthcoming Conference at Belgrade was expected to make it clear that Greece would decline to involve herself in any non-Balkan conflicts, while proposing to fulfil all her engagements in regard to exclusively Balkanic affairs.

[1] See the *Survey for 1934*, Part III D, section (i).

The question of the limits of the obligations of Greece under the Balkan Pact was, indeed, the principal business with which the Balkan Entente Conference occupied itself when it duly met at Belgrade on the 4th–6th May. On this occasion Greece was represented by General Metaxas, who had become Prime Minister after the death of Monsieur Demertzis on the 13th April; and the Greek representative appears to have exerted himself—perhaps with some support from his Turkish colleague, Monsieur Aras—to reduce the obligations of Greece under the Balkan Pact to a minimum, while the Rumanian and Jugoslav representatives sought to give the pact the widest possible interpretation. The *communiqué* published after the close of the Conference on the 6th May threw little light on the outcome; but the fact that the proceedings had lasted a day beyond the original time-table was perhaps an indication that the discussions had been obstinate, while Monsieur Stojadinović's verbal statement after the proceedings were over would appear to imply that General Metaxas had gained his point.

> The Greek question has been settled in accordance with the statement presented by Monsieur Metaxas. We have recognized that the declaration interpreting the position of Greece which was made before the Greek Parliament is fully compatible with the spirit of the Balkan Pact, and that the obligations of Greece, clearly and unequivocally defined, are only concerned with the Balkan frontiers.

Greece appears to have been definitely absolved by her associates in the Balkan Entente from any call to take up arms in the defence of their frontiers in any war in which the opposing side included Italy as well as Bulgaria or Hungary, or both; and, as a further concession to the Greek standpoint, it seems to have been agreed by Jugoslavia that the Jugoslav-Albanian frontier should also be excluded from the schedule of the Balkan frontiers in regard to which Greece stood committed. A war between Jugoslavia and Albania could, in fact, hardly be conceived of except as a corollary to a war between Jugoslavia and Italy; and accordingly it was laid down (according to report) that, in this case, Greece should be under no obligations beyond those involved in Article 16 of the Covenant of the League of Nations.[1]

[1] The above account of the decisions of the Balkan Entente Conference of the 4th–6th May, 1936, is only tentative; for, at the time of writing, the facts were still obscure. So well-informed an observer as 'Pertinax' declared (in the *Echo de Paris* of the 19th May) that he had been mistaken in supposing that the commitments of Greece had been reduced, and that, on the contrary, they had actually been extended (i) by committing Greece to take up arms in defence of the Hungarian frontiers of Jugoslavia and Rumania if Hungary

Whatever the terms in which the obligations of Greece were defined at this Balkan Entente Conference of the 4th–6th May, 1936, at Belgrade, there can be no doubt that the result embodied the policy of General Metaxas. The policy of Monsieur Titulescu is still more plainly stamped upon the face of the *communiqué* on the meeting of the Permanent Council of the Little Entente, which was held in the same city on the 6th–7th of the same month. In its references to peace, revisionism, security, the Covenant, the sanctity of treaties, the General War of 1914–18 and the German military reoccupation of the Rhineland on the 7th March, 1936, this *communiqué* expounded the philosophy of 'indivisible peace'. The hand that drafted it was manifestly eager to lay stress upon the solidarity of the states members of the Little Entente—and this in their relation, not only with one another *vis-à-vis* Austria and Hungary, but with all the European forces of international law and order against all the European forces of international anarchy. The horizon was boldly expanded to the farthest bounds of Europe, instead of being cautiously confined to the limits of the Danube Basin. In fact, this state paper proclaimed itself in every line to be a monument of Monsieur Titulescu's ideas; but the Rumanian statesman was less fortunate than his Greek colleague; for Monsieur Titulescu's triumph was a Pyrrhic victory.

In spite of the emphatic declaration in this *communiqué* that the policy of the three states towards the other countries of Europe remained 'absolutely identical, with the same principles, the same outlook, and the same common interests as its basis', the exchanges of views which had just taken place at Belgrade appear to have brought out the truth that the questions on which the three partners still saw eye to eye were now less important than those on which they were already reduced to agreeing to differ. They might still rise up with one accord if Hungary were to embark on a war of *revanche* or if a restoration of the Hapsburg Dynasty were to be proclaimed either at Budapest or at Vienna.[1] But they were at sixes and sevens over their relations with the Great Powers, and particularly over their relations with Germany and Russia—the two titans who were now threatening to contend for the dominion over all the little countries that lay between them. Jugoslavia was flirting with Germany while Czechoslovakia was being threatened by Germany;

made war without receiving military assistance from Italy; (ii) by requiring Greece to pass over from benevolent neutrality into active belligerency on behalf of her Balkan allies in the event of Article 16 of the Covenant coming into play and/or France and Great Britain taking up arms.

[1] See pp. 507 *seqq.*, above.

and the divergence of attitudes was still more extreme in regard to Russia; for Czechoslovakia was pinning her faith on Russia's support while Jugoslavia was still obstinately refusing to make friends with her Czechoslovakian ally's Communist protectress. As for the policy of Rumania, Rumanian opinions and feelings on the subject of Russia were now acutely divided. The Russophil orientation which was being assumed by Monsieur Titulescu at Belgrade and Geneva was not in the ascendant at Bucarest—as was proved in the sequel by Monsieur Titulescu's fall.

The fact that Monsieur Titulescu's foreign policy involved collaboration with the Soviet Union in the international field implicated the Rumanian Minister for Foreign Affairs in the domestic conflict of 'ideologies'[1] which in 1936 was being hotly pursued on the Rumanian home front. And although the Rumanian Russophil statesman was no doubt as innocent of any leaning towards Communism as were his Czech colleagues MM. Beneš and Hodža or his French colleagues Monsieur Herriot and the late Monsieur Barthou, a clean bill of 'ideological health' would not suffice to clear him; for the fundamental ground of the opposition which Monsieur Titulescu's Russophil policy aroused in Monsieur Titulescu's own country was not the Russian Government's 'ideological' colour but the fact that a solidarity with a Russia of any hue—Red or White or Brown or Black—meant the engagement of Rumania in the formidable game of the European balance of power. 'The indivisibility of peace' was in truth the issue on which Monsieur Titulescu was attacked and overthrown at Bucarest in the summer of 1936;[2] and in facing this assault from the enemies in his own household he not only had to contend with the Rumanian people's horror of the prospect of being

[1] See pp. 20, footnote 3, 44–5, above.

[2] The point is admirably put in the following passage in an article from the pen of the Balkans Correspondent of *The Times* which was published on the 3rd December, 1936:

'Rumania's possibly threatened frontiers are those with Hungary, Bulgaria, and Russia, and she has safeguarded herself in each of these three directions by military alliances with Jugoslavia and Czechoslovakia, with Jugoslavia, Greece, and Turkey, and with Poland respectively. Immediate Rumanian interests cease at this point, and there is a wide feeling that she should not needlessly incur enmities farther afield. Monsieur Titulescu seemed not content with resolutely defending the Rumanian fort but was apt heroically to draw fire by exposing himself on the parapet. When Poland by her arrangement with Germany became the naughty boy of the French group, Monsieur Titulescu also raised an admonishing finger at Colonel Beck; when rowdy Italian journalists were expelled at Geneva he called them 'barbarians'; in Germany he was always bitterly attacked; and when he criticized British policy at Montreux his adversaries at home accused him of ranging Rumania with Russia and France against England.'

involved in another European war (a calamity which his opponents depicted as the necessary nemesis of Monsieur Titulescu's policy); he was also handicapped by the three personal weaknesses of absence, unpopularity[1] and ill health. Nevertheless, Monsieur Titulescu did not succumb without a vigorous struggle.

On the 11th July, for example, he suddenly arrived in Bucarest on a flying visit from Montreux, where he was representing Rumania at the Conference over the question of the status of the Black Sea Straits;[2] and the rumour that he was falling was contradicted in the following *communiqué* which was published at Bucarest on the 16th July after foregoing consultations on Monsieur Titulescu's part with Monsieur Tatarescu and with King Carol.

> The Cabinet met yesterday at 6 o'clock, Monsieur Tatarescu being in the chair. Monsieur Titulescu, Minister for Foreign Affairs, made a statement, which lasted for two hours, with regard to all the international questions on the agenda. Among other things, he discussed the Locarno question, the question of sanctions, the Austro-German agreement, relations with the U.S.S.R., and the reform of the League Covenant, together with various other problems arising out of the alliance of Rumania with France, the Little Entente, the Balkan Entente and Poland.
>
> The Cabinet subsequently adopted the following resolution:
>
> 'The Cabinet, by a unanimous vote, take note of the statement made by Monsieur Nicholas Titulescu, Minister for Foreign Affairs, signify their entire approval of the foreign policy which he has been pursuing, and which he described in his statement, and give him their full support;
>
> 'Have decided on the measures to be taken for the strict application of this policy which is the policy of the whole Government and of the Rumanian nation;
>
> 'Avail themselves of this opportunity to declare that they are deeply grateful to Monsieur Nicholas Titulescu for what he has achieved hitherto, and absolutely confident that he will accomplish his mission.'

[1] On this point, again, the Balkans Correspondent of *The Times* makes some illuminating observations in the article cited in the preceding footnote:

'With his faultless French and brilliant mind, Monsieur Titulescu was a novelty in European politics, an absentee Foreign Minister with absolute authority in his department. Periodically an admiring Rumania heard of his successes abroad—the consolidation of the Little Entente, the conclusion of the Balkan Entente, the improvement of relations with Russia—and periodically he visited Rumania. But he had bitter enemies. As the price of taking office he had insisted on the dismissal of certain persons in high places thought to be receiving foreign subventions. He was said vigorously to have objected to the foreign journeys of his Prime Minister, whereas Bucarest, holding that Rumanian foreign policy was immutable, felt that it should be only a question of a few vowels and consonants whether Monsieur Tatarescu or Monsieur Titulescu visited Belgrade.'

[2] See the present volume, Part IV, section (i).

After this apparently conclusive victory on the home front Monsieur Titulescu returned from Bucarest to Montreux in order to resume his international labours; but appearances were deceptive; and the news of his exclusion from office in the reconstruction of the Rumanian Cabinet on the 29th–30th August was received by him in a telegram from Monsieur Tatarescu which found the fallen Minister on a sick bed at Cap Martin on the French Riviera.

On the 2nd September the new Minister for Foreign Affairs at Bucarest, Monsieur Antonescu, made a statement to the press in which he declared his intention of continuing the policy which had 'been consistently pursued by all parties since the War and latterly, in particular, by Monsieur Titulescu with talent, authority and prestige'; and in the same declaration he professed feelings of cordial friendship towards France, Jugoslavia, Czechoslovakia, Poland, Greece, Turkey, Great Britain, Italy, the Soviet Union, Germany and the League of Nations. The extreme catholicity of Monsieur Antonescu's benignity made it difficult to translate its meaning with any precision into terms of current international politics. More light was thrown on the new orientation of Rumanian foreign policy by the phrasing of a telegram which Monsieur Antonescu addressed on the 1st September to the Italian Minister for Foreign Affairs, Count Ciano; and more light again by the subsequent *rapprochement* between Rumania and Poland which has been recorded in this volume in another context.[1] In an *exposé* of his policy which he delivered on the 11th December, 1936, before a combined meeting of the Foreign Affairs Commissions of the Senate and the Chamber, Monsieur Antonescu struck the note of catholicity again—'we desire,' he said, 'in all sincerity to maintain the best possible relations with all states, and in the first place with our neighbours, being disposed to respond by a sincere friendship to those who seek the friendship of Rumania'—but it was noticeable that he reserved his most cordial expressions for his account of Rumania's present and future relations with France,[2] Italy and Poland.

The close of the year 1936 found Rumania engaged in knitting her relations with Poland closer without casting loose from her previously established relations with the other two states members of the Little Entente. On the 10th–12th October Monsieur Antonescu visited Belgrade, where he not only discussed the international

[1] See pp. 395, 400–1, above.

[2] He referred in particular to the Franco-Rumanian economic agreement of the 7th February, 1936, and to the arrangements for the purchase of armaments from France (see p. 125, above, and p. 532, below).

situation with Dr. Stojadinović but was also present at a meeting of the Economic Council of the Little Entente. On the 27th October King Carol of Rumania, accompanied by the Crown Prince Michael and by Monsieur Antonescu, arrived in Czechoslovakia for a five days' visit. The three days that the Rumanian King and his Foreign Minister spent in Prague gave them opportunity for a full exchange of views with President Beneš, Dr. Hodža, and Dr. Krofta, and the continued solidarity of the Little Entente was emphasized both in the speeches at a dinner given by President Beneš on the 25th October and in the official *communiqué* which was issued at the end of the visit. Thereafter, on the 1st December, delegations from the parliaments of the three Little Entente states met together at Bucarest to proclaim once more their common opposition to treaty revision.

It was not easy to see, however, how the Rumanian Government could permanently combine the old policy represented by Rumania's membership of the Little Entente with the new policy to which the Rumano-Polish *rapprochement* pointed. For Poland was not merely hostile to Rumania's Danubian associate Czechoslovakia; she was restive against the whole idea of international solidarity, regional as well as oecumenical. If Rumania were to make common cause with Poland, this could only be on a basis of concerted detachment in respect of any quarrels among the two countries' neighbours; and if Rumania did take up this position her action might have a decisive effect upon the destinies of Europe; for, instead of continuing to provide a line of communication between Russia and Czechoslovakia, she would then be completing the process of insulation which Poland had begun when she had set Rumania the example of retiring into isolation. An insulating bloc which included Rumania as well as Poland would mask the western frontiers of the Soviet Union from the Baltic to the Black Sea without a break. It would mean in effect the re-establishment of that *cordon sanitaire* between a Communist Russia and a Bourgeois Europe which had been advocated by European opponents of Communism immediately after the War of 1914–18; only now the rôles of the leading European Powers would be inverted. In those bygone years the Polono-Rumanian *cordon sanitaire* had been desired by France as a means of preventing Russia from joining hands with Hungary and Germany; in 1936 the same Polono-Rumanian combination was desired by Germany as a means of preventing Russia from joining hands with Czechoslovakia and France; and if Czechoslovakia—sundered as she was from her ally France by the breadth of Germany herself—were to be separated from Russia as well by an impassable Polono-Rumanian belt of

insulating territory, she would be faced with the daunting prospect of being left to measure herself against 'the Third Reich' in single combat. In the light of these considerations, the task of devising a foreign policy for Rumania that would be simultaneously acceptable to both Czechoslovakia and Poland might seem to be one which would make large demands upon the ingenuity of Monsieur Titulescu's successor.

(*d*) Germany's Economic Drang nach Südosten

One of the conspicuous movements in the international history of the year 1936 was the expansion of Germany's foreign trade in a south-easterly direction—down the Danube into the Balkans and across the Black Sea Straits into Turkey and even as far afield as Iran. In the light of recent history this economic drive might be credited with a political significance in addition to its own intrinsic importance. In the nineteenth century the Prussian-made German Zollverein had been the precursor of a Prussian-made Second Reich; in the twentieth century it was not inconceivable that an economic *rapprochement* between a National-Socialist Third Reich and the successor states of the Hapsburg and Ottoman Empires might bring Naumann's dream of *Mitteleuropa*[1] to pass by enabling German statesmanship to erect a political structure of German hegemony upon a previously established economic basis.[2]

The Danubian countries from Jugoslavia and Hungary inclusive eastwards had been suffering—ever since their recovery from the exhaustion of the War of 1914–18—from a perpetual difficulty in disposing abroad of their surplus agricultural products. This economic problem beset victors and vanquished with an impartial malignity, and it was intractable to all attempts to solve it on political lines. Within the limits of the Little Entente, for example, Czechoslovakia, who was a semi-agricultural country herself, was incapable of supplying an adequate market for the agricultural exports of her two allies; and Jugoslavia and Rumania were not helped economically by the political *rapprochement* between the Little Entente and certain Great Powers beyond the bounds of the Danube Basin. For France was more nearly self-sufficing than any other great country in the world of the day, while the Soviet Union was a producer of primary products on a scale which bade fair to make her one of the

[1] Fr. Naumann: *Mitteleuropa* (Berlin, 1915, Reimer); English translation: *Central Europe* (London, 1916, P. S. King).

[2] For an estimate of the materials for this economic basis, see 'Dr. Schacht in the Balkans: The Economic Background', Part III, in *The Bulletin of International News*, 4th July, 1936.

most formidable economic competitors of Rumania and Jugoslavia in the world-market as she gradually raised the standard of her productivity. During the post-war years repeated attempts to solve the Danubian economic problem under French auspices had broken down;[1] and on the eve of the imposition of economic sanctions on Italy in the autumn of 1935[2] it was this political adversary of Jugoslavia, and not either of Jugoslavia's friends Czechoslovakia and France, that was Jugoslavia's best customer. Italy was at the same time an important customer of Rumania's. Accordingly, the temporary exclusion of Italy from the field of Jugoslavia's and Rumania's foreign trade brought to a head, for both these countries, an international economic problem which had been difficult enough as it was; and the gap made in their economy by the loss of Italy's custom was far from being filled by the efforts of Great Britain, Czechoslovakia and France to provide them with alternative markets.[3] In this situation, Germany, under Dr. Schacht's financial and economic leadership, espied her opportunity and stepped into the breach. She undertook to take as much as 60 per cent. of Jugoslavia's normal exports to Italy, whereas the three countries just mentioned were only taking 25 per cent. between them.[4] It is an ironical reflection that Germany was able to beat France in the game of gaining a political grip on the Danubian countries by helping them to meet their economic difficulties just because Germany was still so far from having attained that goal of economic *autarkeia* towards which she was bending all her efforts, whereas France, without having consciously exerted herself to that end, was already living very nearly in the state which was Germany's unattained ideal.

Dr. Schacht's economic strategy in taking advantage of his opening in South-Eastern Europe was skilful—at any rate on a short view.[5] His first move was to take large quantities of surplus produce off the hands of the South-East European producers at a price about 30 per cent. higher than the ruling world-price; and this bait induced the South-East Europeans to deliver the goods on credit. They were

[1] See the *Survey for 1930*, Part II A; the *Survey for 1931*, pp. 35–6, 312–13 and *n.*, 315, 316; the *Survey for 1932*, pp. 22 *seqq.*; the *Survey for 1933*, pp. 205–6 *n.*; and the *Survey for 1934*, pp. 487–8, 493.

[2] See the *Survey for 1935*, vol. ii, sections (vi) and (xii) (*d*) and (*e*).

[3] See *op. cit.*, pp. 83, 235–6, 288, 434.

[4] *The Bulletin of International News*, 4th July, 1936, p. 5.

[5] For a general account of Dr. Schacht's operations, see the second (published on the 14th September, 1936) and the fourth (published on the 16th September) of a series of articles in *The Manchester Guardian* from a special correspondent who had been investigating the political situation in the countries round the Eastern Mediterranean.

the more ready to grant this facility to Germany because her credit in South-Eastern Europe stood higher than elsewhere at the time when Dr. Schacht started operations.[1] In fact Germany's credit was so good that the South-East European Governments ventured to underwrite it by advancing to the individual South-East European producers the money owing to them from Germany for the goods of which they had disposed in the German market. Dr. Schacht's next move was to sell the South-East European commodities which he had thus acquired to Rotterdam or London either at the ruling world-price or even below it. His third step was to inform his South-East European creditors, when they asked for a settlement, that he was wholly unable to find foreign exchange in the amounts required, but that he was prepared to pay on his own terms in certain lines of German manufactured goods—particularly armaments. At this stage his creditors—who were in effect the Governments of the several countries concerned—felt constrained to take what he offered in order to liquidate their frozen assets in Germany. For on the one hand they wanted to recoup themselves in some form for the advances which they had made to their own producers, and on the other hand they were afraid of seeing the 'frozen assets', which had now accumulated to formidable quantities,[2] melt away through a depreciation of the Reichsmark (with which Dr. Schacht now adroitly threatened them). In order to obtain their payment from Germany in kind in default of payment in valuta, they therefore transferred to Germany many of the orders for foreign manufactured goods which would otherwise have gone to the Netherlands or Great Britain or other West-European countries, regardless of the fact that these were the countries which had the best claim on South-Eastern

[1] *The Bulletin of International News*, 4th July, 1936. The reason why Germany's credit stood high in these countries was that they had previously been importing from Germany more than they had been exporting to her.

[2] 'The following table probably gives a rough indication of the position at the beginning of June:

Trade Debts owed by Germany to—

Greece (about)	Rm. 30,000,000
Hungary (about)	Rm. 25,000,000
Jugoslavia	Rm. 21,000,000
Rumania (less than)	Rm. 18,000,000
Bulgaria (about)	Rm. 10,000,000

The sum owing to Greece is more than three times Germany's 1935 import surplus in her trade with Greece. In the case of Hungary the proportion is about three to two, whilst the debts to Jugoslavia and Rumania are approximately equal to Germany's 1935 import surpluses with those countries. Germany's trade with Bulgaria nearly balanced in 1935, but her debt to Bulgaria is less than her import surplus with that country in 1934.' (*The Bulletin of International News*, 4th July, 1936, p. 4.)

Europe's custom according to the doctrine of 'balanced trade', considering that they had already taken large quantities of the South-East European countries' primary products at second hand through Dr. Schacht as a middleman.

For the moment this German strategy appeared to justify itself by diverting South-East European trade to Germany from the West-European countries. The touchstone by which the policy was to be judged was not, however, the immediate result but the ability to convert a raid into a permanent occupation; and by the time of writing there were already indications that, judged by this criterion, Dr. Schacht's strategy was not proving a success. The flaw in it was psychological. It was a manœuvre that involved an element of sharp practice; and in business, as in other forms of human intercourse, human nature is prone to break off relations, even at a material loss, when it considers that it is being unfairly 'put upon'. By the turn of the years 1936 and 1937, the South-East European countries were already shy of walking into the German spider's parlour for the second time after their first unpleasant experience; and they were retransferring their custom to their previous customers—rather than take the goods that Germany was trying to force upon them—even where this meant writing off as a bad debt a considerable part of the credit which Germany had so slyly obtained from them.

This episode in the economic history of Europe in 1936 may be illustrated by a rather more detailed account of Germany's dealings with particular countries. In this story a prominent part was played by two progresses—one in June in Danubia and the Balkans[1] and the other in November in Turkey and Iran[2]—which were made by Dr.

[1] Dr. Schacht was in Vienna on the 10th–11th June, 1936; in Belgrade on the 11th–13th; in Athens on the 13th–15th; in Sofia on the 15th–17th; in Budapest on the 17th–19th. It is remarkable that the name of Bucarest does not appear in this itinerary. Part of Dr. Schacht's route had been covered a year earlier by his colleague General Göring, who had visited Budapest on the 24th–25th May, 1935, Sofia on the 26th–27th May, and Belgrade (after an interval spent at Dubrovnik) on the 6th–8th June. General Göring's journey was officially described as a honeymoon, but in each of the three capitals which he visited he was received by the head of the state and had interviews with the principal Ministers; and since his tour took place within a few weeks of the signature of the Franco-Russian and Czechoslovak-Russian pacts, it was an obvious deduction that its purpose was to counteract the effect of those treaties by drawing Hungary, Bulgaria and Jugoslavia into closer relations with Germany. General Göring's efforts to this end seem to have met with only a very moderate degree of success, and in Belgrade in particular his *démarches* were received with considerable reserve.

[2] Dr. Schacht was in Istanbol on the 14th–16th November, 1936; in Angora on the 16th–19th; in Baghdad on the 19th–20th. He left for Tihrān on the 20th.

Schacht through the provinces of the economic empire which seemed at the moment to be in the grasp of this Teutonic bagman-Alexander.

In the dealings between Germany and Jugoslavia the first signal event of the year was the negotiation, early in March, of a contract, involving about 160,000,000 dinars' worth of work, between the Jugoslavian Government and the German firm of Messrs. Krupp for the renovation of rolling-mills at an ironfoundry at Zenica in Bosnia. Messrs. Krupp's tender appears to have been not so low as the tenders received from firms in Great Britain and in Czechoslovakia, but it was accepted all the same because the German firm's competitors came from countries in which the Jugoslavs did not hold 'frozen assets'. At the end of March it was reported from Belgrade that Messrs. Krupp had been awarded a second contract—this time for the materials for the construction of a bridge. Thereafter German-Jugoslav trade negotiations which had opened at Zagreb on the 17th March resulted on the 1st April in the signature of an agreement for clearing by means of increased imports from Germany the outstanding claims against Germany of Jugoslav exporters (claims which amounted by then to some 470,000,000 dinars). Early in June it was reported that the Jugoslavian Government had made up their mind to use most of the balance owing to Germany's Jugoslav creditors by placing in Germany another large order for railway materials; and on the 12th June, at a moment when Dr. Schacht was in Belgrade, the Jugoslav Minister for Finance signed an order, to come into force on the 25th June, which would have the effect of restricting for Germany's benefit Jugoslavia's trade with the Netherlands, Great Britain, the United States and other countries. The moral effect which Dr. Schacht's visit had produced was revealed in the terms of the speech with which the Jugoslavian Prime Minister, Monsieur Stojadinović, laid the foundation stone of the new works at Zenica in the presence of Messrs. Krupp's representatives. 'To-day', he said, 'we are inaugurating a new economic policy.' At the beginning of August Dr. Schacht's visit to Belgrade was followed up by one from Dr. Schmitt, the President of the Government of the Rhine Province of Prussia who was also Mayor of Düsseldorf and President of the Düsseldorf Chamber of Commerce; and on the 25th September a party of eleven German journalists arrived at Belgrade by air. Throughout the year there were rumours that a German bank was about to be founded in Jugoslavia.

The immediate results of this German economic drive in Jugoslavia were impressive. 'While in the first half of 1935 Italy was Jugoslavia's chief customer with 20·5 per cent. of the total trade and

Germany was only second best with 16·88 per cent., by the first half of 1936 Germany had become the chief purchaser of Jugoslav goods with 25·44 per cent. of the total of Jugoslav exports. Italy's part in Jugoslav trade in the first half of 1936 was only 1·97 per cent.—eleventh on the list of the countries buying Jugoslav exports. As to imports, Germany was represented by 23·55 per cent. of Jugoslavia's total imports, Czechoslovakia being second with 17·35 per cent. and Great Britain third with 11·44 per cent. Jugoslav imports from Italy were reduced to 300,000 dinars during the first half of 1936, which constitutes only 0·01 per cent. of the total imports.'[1] Before the end of the year 1936, however, Germano-Jugoslav relations had become less friendly and Germany's economic prospects in Jugoslavia correspondingly less favourable. Before the end of August the German tourist traffic was lost to Jugoslavia by the German Government's failure to provide the necessary foreign exchange. And in the autumn there was a sharp falling off in German imports of Jugoslavian foodstuffs. In the consequent discussions the German negotiators showed themselves less accommodating than before. By the end of the year the Jugoslavs had been driven by their disillusionment over their dealings with Germany into a state of economic xenophobia.

The story of Germany's economic relations with Jugoslavia in 1936 repeats itself in the story of her relations with Greece—though with the difference that the Greeks were as critical throughout in their reception of Dr. Schacht's proposals as the Jugoslavs were in the later stages. During his visit to Athens in June Dr. Schacht found his Greek hosts indisposed to accept either the kinds of goods which he offered or the prices which he quoted; and he seems to have been compelled to make two concessions: first, that the Greek 'frozen balances' in Germany should be guaranteed against loss of value through any depreciation of the Reichsmark, and second that in future the trade between Germany and Greece should be kept in a constant balance without any fresh accumulation of debts. Even as far as it went, the agreement which he succeeded in making with the Greek Government on this occasion was bitterly attacked in the Greek press in the course of the year.

On the other hand, Bulgaria seemed to be falling into an extreme economic dependence on Germany without being moved to resentment. By the end of April 1936 the proportion of Bulgarian exports that was being taken by Germany had risen as high as 63 per cent., and in particular Germany was taking more than half the Bulgarian tobacco export, which accounted for about 40 per cent. of Bulgaria's

[1] *The Manchester Guardian*, 16th September, 1936.

total exports. Nevertheless, Bulgaria was deliberately preparing to increase the German quota of her foreign trade still further by cultivating particular crops—e.g. oil-seeds and soya-beans—to Germany's order. And she was meekly accepting payment in kind in the shape of German munitions—a commodity in which Germany delighted to pay her South-East European creditors for political as well as for economic reasons.

In Hungary and Rumania during the same period Germany was competing with a strong rival bidder—in Hungary with Italy and in Rumania with France. From Hungary Germany and Italy, between them, were taking by this time as much as two-thirds of her exports of agricultural produce, but Germany's share of this was increasing and Italy's diminishing. With Rumania France succeeded, on the 7th February, 1936, in concluding a commercial treaty under which the means were provided for payments in francs by the Rumanian Government on account of new deliveries of French armaments as well as for the service of Rumanian bonds and for the paying off of accumulated trade debts. The key to the transaction was the concession by the Rumanian Government to a French group, for twelve years, of 750,000 tons of the Government's royalties in kind on the production of Rumanian oil, a concession which, at the rate of production in 1936, would amount to three quarters of the Government's total royalties in kind. The necessary agreement between the Rumanian Government and Petrofina Française was duly signed on the 5th May, 1936;[1] and it was evident that the effect was to knit Rumania to France by very intimate economic ties. Conversely, the German economic penetration of Rumania made little progress in this year—notwithstanding an enlargement of the German import quota early in June—by comparison with Dr. Schacht's sensational temporary triumph in Jugoslavia. Yet, just because, in Rumania this year, by contrast with the position in the rest of South-Eastern Europe, the rôles of Germany and her Western European rivals were inverted, it seemed not impossible that Germany might after all find an opening in the next chapter of the story in the richest of all the South-East European countries; for the French in Rumania in 1936, like the Germans in Jugoslavia and Greece, seemed likely to defeat their own ultimate ends by driving too hard an immediate bargain.

As for Dr. Schacht's exploits in South-Western Asia, his visit to Turkey in November 1936 was perhaps partly an attempt to retrieve a set-back which Germany had received in June when a contract

[1] Text in *Excelsior*, 9th May, 1936.

worth about £3,000,000 for the construction of an iron and steel plant in Turkey had been awarded to the British firm of Brassert and Company.[1] And his visit to Iran was in the nature of a reconnaissance. Yet this Asiatic tour was significant in indicating the line of least resistance along which Germany would be likely to continue her expansion if her endeavours in South-Eastern Europe were to be crowned with success; and on Turkey her hold was already stronger than it was on any South-East European country except Bulgaria. By the autumn of 1936 Germany was taking about 60 per cent. of Turkey's exports, and Turkey was finding herself constrained—though this with Greek misgivings rather than with Bulgar or Jugoslav complacency—to take payment in kind in the shape of large orders for German munitions of war and munition-manufacturing plant.

(v) The Balticum between Russia and Germany

The discomfiture of the League of Nations in its encounter with Signor Mussolini compelled all the small countries round the shores of the Baltic to consider what their own position would be if the two Great Powers with Baltic seaboards, Germany and Russia, were to come into conflict with one another. Consideration showed that, if immunity from becoming involved was the identical aim of all these lesser Baltic countries, the accidents of geography divided them into three categories on the criterion of their relative ability to keep clear of the mêlée. At the one extreme there were the three peninsular Scandinavian countries, Sweden, Norway and Denmark, which might hope to remain neutral in the next war as they had succeeded in remaining in the last. At the other extreme were the three continental Baltic countries, Estonia, Latvia and Lithuania (constituting, between them, the Balticum in the narrower sense), which were at least as much in danger as Czechoslovakia was of becoming a Russo-German battle-ground. The third category was represented by a single continental Scandinavian country, Finland, which occupied an intermediate strategic position and whose future rôle might be either belligerency or neutrality according to the policy of her Government. In 1936 Norway, Sweden and Denmark were taking the line that might have been expected of them by inclining steadily towards a policy of detachment, while both Finland and the three Baltic countries were in a state of hesitation. The three Baltic Governments had not made up their minds to accept the Czechoslovakian conclusion that a small country which was unlikely to be

[1] See p. 645, below.

left in peace could not do better than to throw in her lot with the least aggressive of the great potential belligerents around her. Conversely, Finland, to all appearance, had not made up her mind to play for safety through aloofness—though, in her case, the desperate expedient of throwing herself into the arms of a bellicose Great Power was not a necessity but a luxury.

The foreign relations of Finland in 1936, as in previous years, afforded evidence of hostile feeling between Finland and Russia and friendliness between Finland and Germany. Russo-Finnish relations were subjected to a strain by a long-drawn out trial at Helsingfors in which the prisoner—a Finn named Antikainen who had served in the Soviet Army in the Soviet Government's operations against the Finnish volunteers in Eastern Karelia in 1921–2—was finally condemned, on a second hearing, to penal servitude for life on the charge of having committed an atrocity against a Finnish volunteer on that occasion. The case, which was being reheard during the earlier months of the year and was not finally disposed of until the 28th May, was enlivened by the kidnapping of the Finnish advocate who was serving as the counsel for the defence and by the bewildering behaviour of the only witness cited on the prisoner's behalf—a Soviet citizen who came to Helsingfors under a safe-conduct, proceeded to give evidence in favour of the prosecution, and then took asylum in the Soviet Legation! There was also tension along the Finno-Soviet frontier. On the 19th February 48 Finnish fishermen who had strayed across the line were reported to have been arrested, while, according to the Soviet authorities, their frontier guards were fired upon, on their own ground, from the Finnish side of the line on the 7th October (with one fatal casualty) and again on the 23rd.

On the other hand, the development of cultural as well as commercial relations between Finland and Germany was being pursued with zeal in both countries; and there were suspicions in Russia that this Finno-German co-operation was not confined to the arts of peace. A German cruiser paid a visit to Helsingfors in June; and in August there was a sharp diplomatic dispute between the Finnish and Soviet Governments over an anti-Finnish campaign in the Soviet Union press in which the Finnish Government were accused of placing military air-bases at the disposal of the German Government along the eastern frontier of Finland, while the Finns hotly contended that their new aerodromes were for commercial purposes only. *Mutatis mutandis*, this Russo-Finnish controversy was remarkably similar to the contemporary German-Czech controversy over the alleged

Russian military air-bases along the frontiers of Bohemia;[1] and both controversies were mischievous for the same reasons. On the one hand the truth was not easy to ascertain, and on the other hand the allegation bred nervousness because, if it really were true, the menace would be acute.

A glance at the map will show that the eastern frontier of Finland was still nearer to Leningrad than the north-western frontier of Czechoslovakia was to Berlin. At the same time it will also show that, unlike either Czechoslovakia or the three Baltic states, Finland was not inexorably condemned by her geographical situation to be tragically involved in a Russo-German clash. If she was now in danger of being compromised, this was not through geographical necessity but through an incautious indulgence of her anti-Russian and pro-German feelings; and by the close of the year 1936 both the Government and the people of Finland seem to have come to the conclusion that this sentimental luxury was not worth its possible political price. The Soviet Government were ready to meet the Finnish Government half way in a concerted attempt to clear the air; and at the beginning of January 1937 it was announced that the Finnish Minister for Foreign Affairs, Monsieur Holsti, had accepted an invitation to pay a visit to Moscow. In this context Monsieur Holsti declared on the 21st January, 1937, to the correspondent of *The Times* at Helsingfors[2] that Finland's foreign policy had always been based on the Covenant of the League; that she was not involved in any political combination against the Soviet Union; and that, while her cultural and economic relations with Germany had been growing more intimate, Germany had not, during the post-war years, endeavoured, as had been alleged, to exercise pressure at Helsingfors in favour of any course that would be inconsistent with Finland's full freedom to choose her own foreign policy.

Monsieur Holsti's projected visit to Moscow was officially approved at a meeting of the Cabinet at Helsingfors on the 5th February; and it duly took place on the 8th–10th of the same month. The Finnish statesman was cordially received and entertained by the leading personalities in the Soviet Government—including Marshal Voroshilov as well as Monsieur Litvinov—and at the end of the visit optimistic statements on the results of it were made by both the visitor and his hosts. The relations between Finland and the U.S.S.R. were further improved on the 15th February, 1937, by the election of the Finnish Prime Minister, Monsieur Kallio, to the Presidency of the Finnish Republic in succession to President Svinhufvud. Whereas

[1] See pp. 485–6, above.

[2] *The Times*, 23rd January, 1937.

the retiring President had been a Conservative, Monsieur Kallio was the candidate of the Agrarians and received the Labour vote on the second ballot; and his victory was welcomed in the Soviet press as the presage of a change in Finnish foreign policy.

A new departure was in fact foreshadowed in a public statement which was made by Monsieur Holsti—now Acting Prime Minister—immediately afterwards:

> I have no desire or intention that Finland shall join either a so-called Communist or [a so-called] anti-Communist front in Europe. The front which I wish to strengthen is the front of the democratic Powers, and especially of Great Britain, France, the Scandinavian countries, and the League countries in general. Great Britain is the country which buys most from and sells most to Finland, and the maintenance of close co-operation with Great Britain is my aim.
>
> It is essential to restore confidence in Europe, for the purposes both of peace and of economic progress. The purpose of my recent visit to Moscow was not only to improve the political relations of Finland with the Soviet Union but also to attempt to strengthen the economic relations between the two countries. During the course of the last four years the volume of Russian imports from Finland has fallen considerably, and Finnish exporters are as anxious as the Government to restore the normal course of trade with our neighbour.
>
> I had the opportunity for frank talks in Moscow with the members of the Soviet Cabinet and with Marshal Voroshilov and his colleagues on the General Staff. I wanted to dispel the anxieties felt in Moscow that Finland might have made secret arrangements with a Great Power whereby Finland should be the jumping-off ground for an attack on the Soviet Union. No such secret arrangements exist, and the Finnish Government has no plans for warlike adventures of any kind.

This policy of even-handed neutrality was evidently not beyond Finland's power to pursue if she genuinely willed it. Her Baltic neighbours, however, were in a less favourable position; and accordingly, in 1936, they were wavering between the assumption of a posture of detachment which might prove untenable in a crisis and the incompatible alternative policy of throwing themselves upon the protection of the U.S.S.R. as a more practical means of obtaining security against Germany.

The ground for a Balto-Soviet entente was prepared at the turn of April and May by a simultaneous visit to Marshal Voroshilov at Moscow on the part of the chiefs of the Estonian, Latvian and Lithuanian General Staffs;[1] and this pilgrimage of the three Chiefs of Staff to the capital of the Soviet Union was followed by a meeting

[1] The Estonian visitor was in Moscow from the 28th April to the 4th May, the Latvian from the 29th to the 5th, the Lithuanian from the 30th to the 7th. Thus all three were present at the military review on the 1st.

of the three Foreign Ministers of the Baltic states at Tallinn on the 7th–9th May. This fourth annual conference of the Baltic Entente was opened by the Estonian Foreign Minister on a note of alarm:

> The chief object of our meetings is the consolidation of peace, but to-day peace seems farther off than at the time of our first conference. During the recent international conflicts the League of Nations has shown itself powerless and has thus lost the best part of its prestige and influence. The armaments race has begun again in all countries, the pre-war system of alliances is growing up, and mutual distrust between the nations is increasing day by day.

In their final *communiqué* the three Baltic statesmen reaffirmed their fidelity to the League of Nations and at the same time demanded that there should be an 'equality' between the guarantees of security which were to be accorded to the different regions of Europe.

The terms of this *communiqué* suggested that—whatever the soldiers' report of their professional impressions at Moscow may have been—the statesmen of the Balticum were still hesitating to follow Czechoslovakia's example of seeking security by joining the Franco-Russian military alliance. The motive that weighed with the Baltic Governments appears to have been not a fear of Soviet penetration but rather an anxiety to avoid giving offence to Germany and Poland, who were of one mind at any rate in their common dislike of the Franco-Russian alliance. The Power whom the Baltic statesmen feared at this time was not Russia but Germany; for they were aware that the master of 'the Third Reich' had an open ear for the doctrine of his companion Herr Alfred Rosenberg that Germany's manifest 'destiny' lay in a vast expansion eastward; and they were also aware that Germany had an excuse ready to hand for attacking each and all of them in the presence of German minorities within their frontiers; for there was a German diasporà in both Estonia and Latvia in addition to the German population under Lithuanian rule at Memel, and Herr Rosenberg himself was a German from Tallinn (Reval). The question which confronted the Baltic statesmen was whether they could better exorcise their haunting fear of Germany by a policy of defiance, *à la tchèque*, or by a policy of propitiation, *à la polonaise*.

Meanwhile the German Government were working—by the triple means of threats, blandishments and propaganda—to keep the Balticum out of Russia's orbit even though they might not succeed in attracting it into their own.

An underground Nazi organization among the German minority in Latvia was detected in March 1936; German propaganda agents

were caught in the act of smuggling subversive literature across the frontier from East Prussia into Lithuania in April and May; and in the summer there was a treason trial in Estonia of 154 members of an Est Fascist organization who were charged with having conspired to make a *coup d'état* under instigation from Germany. The blend of threats with blandishments was exemplified in a statement given to the press on the 24th January, 1936, by the German Minister for Foreign Affairs, in which Herr von Neurath said that, while Germany desired to be on the best of terms with the Baltic states, her attitude towards them must be influenced by the treatment which the German population in those countries was receiving—with explicit reference to current events in Latvia and Lithuania. But the most remarkable stroke of German policy towards the Balticum in 1936 was the change from a hostile to a friendly tone towards Lithuania—a new departure which was comparable to the German *volte face* towards Poland in 1934.

On the 11th February, 1936, it was announced in Berlin that—in view of the fact that in the Memelland the Directory and the Landtag had been functioning since the last elections[1] in accordance with the terms of the Statute—the German Government had acceded to a request from the Lithuanian Government for the starting of negotiations for a resumption of normal trade between Lithuania and Germany. Lithuanian agrarian interests (and agriculture was the one and only Lithuanian industry) had in fact been suffering severely from the virtual boycott to which Lithuanian agricultural produce had been subjected by Germany in retaliation for the conduct of the Lithuanian Government in the Memelland. The proposed negotiations were duly opened at Berlin on the 9th March; and, after a pause in April, they were carried to a successful conclusion in the signature of a German-Lithuanian commercial treaty on the 5th August. In this treaty, which was comprehensive in its scope, one of the matters arranged for was the safeguarding of the economic interests of the Memelland; and an economic agreement which met Germany's desire to look after the German minority under Lithuanian rule as well as the Lithuanian desire for readmission to the German market prepared the way for a political *détente* which promised to contribute notably towards relieving the tension in Eastern Europe.

In the last week of August 1936 the three Baltic Foreign Ministers met again—this time at Riga—in order to co-ordinate their observations on the question of reforming the Covenant and to discuss the rest of the agenda of the forthcoming session of the League Assembly

[1] See the *Survey for 1935*, vol. i, pp. 263–5.

at Geneva. In the successful conclusion of the German-Lithuanian commercial treaty of the 5th of that month this meeting at Riga had a more auspicious overture than the previous meeting at Tallinn in May which had followed the visit of the Chiefs of Staff to Moscow.

In the first weeks of September it was reported that Germany had offered Lithuania a non-aggression pact as a first step towards the conclusion of pacts of the kind with all three Baltic states; and the Lithuanian Government were believed to be consulting their Latvian and Estonian associates before giving their reply.

Thus the turn of the years 1936 and 1937 found a perceptible improvement taking place in the relations of the Baltic Entente with Germany as well as in those of Finland with Russia; and the combined effect of these two simultaneous movements was to decrease the danger of the Balticum becoming one of the battle-grounds of another general war.

(vi) Danzig and the League of Nations (1936–7)

The account of the situation in the Free City of Danzig which has been given in earlier volumes of this *Survey*[1] has been carried down to the end of February 1936, when the Senate of the Free City (the body which exercised the functions of Government) took steps to modify certain legislative measures which had been declared by the Council of the League of Nations to be incompatible with the terms of the Free City's Constitution.[2] This action on the part of the Senate appeared to give grounds for the hope that the Nazi majority in Danzig would in future conduct their administration on lines which would afford less reason for complaint on the part of the minority, who, during the period since the National Socialists had come into power,[3] had frequently made use of their right to appeal to the League of Nations' High Commissioner against any infringement of the rights and liberties which were guaranteed to all citizens of Danzig by the Constitution. Many of these appeals against the acts and decisions of the Nazis had been forwarded to Geneva by the High Commis-

[1] See the *Survey for 1920–3*, Part III, section (ii) (3) (*d*); the *Survey for 1925*, vol. ii, Part II D, section (ii); the *Survey for 1932*, Part IV, section (iii); the *Survey for 1935*, vol. i, section (vii) (*b*).

[2] See the *Survey for 1935*, vol. i, p. 245.

[3] The Nazis obtained an absolute majority in the Volkstag in elections which were held on the 28th May, 1933, and they were predominant in the Senate from that time onwards. They gained a few additional seats in the Volkstag in elections in April 1935, but not sufficient to give them the two-thirds majority which was required for the adoption of amendments to the Constitution of the Free City. (See the *Survey for 1935*, vol. i, pp. 214–15, 232–5.)

sioner, whose periodical reports to the League Council had also revealed the seriousness of the situation in which those citizens of Danzig who did not share National-Socialist views found themselves.

Thus the Council, which had congratulated itself in September 1933[1] on the prospect of a lightening of its labours in consequence of the improvement in relations between Danzig and Poland which had followed the establishment of a Nazi régime, had found itself obliged to continue to devote a good deal of attention to the affairs of the Free City. The Council had rejected the Senate's contention that the Constitution of Danzig did not entitle the High Commissioner to intervene in internal affairs, and had given its full support to Mr. Sean Lester (who had been appointed in October 1933 to succeed Monsieur Rosting as High Commissioner) in his endeavours to protect members of the Opposition in Danzig from the worst effects of the Nazis' efforts to establish a totalitarian régime.[2] During the year 1935 relations between the High Commissioner and the Nazi authorities had become seriously strained, and in the autumn the Senate had defied the authority of the Council itself by refusing to carry out some of the recommendations which the Council had made for the cancellation or amendment of measures which infringed the Constitution.[3] At the Council session in January 1936, however, Herr Greiser, the President of the Senate, had adopted a more conciliatory attitude, and had undertaken that effect should be given to the Council's decisions[4]—a promise which was carried out, as has been mentioned, a few weeks later.

The surrender of Herr Greiser to the Council at the beginning of 1936 took place at a time when the prestige of the League of Nations stood high, and when it seemed quite possible that the League's authority would be established more firmly than before by the success of the measures which were being taken against Italy.[5] In these circumstances the Council meeting of January 1936 was followed by a short period of comparative calm at Danzig, during which the relations between the High Commissioner and the Senate were not unsatisfactory. Mr. Lester himself declared[6] that during the months of February to May 1936 he

> felt rather more hopeful than at any time during the past eighteen months that a policy would be developed and put into force by the

[1] See the *Survey for 1935*, vol. i, p. 222.
[2] *Op. cit.*, pp. 229–30, 236–8, 242–4.
[3] *Op. cit.*, pp. 239–42.
[4] *Op. cit.*, pp. 243–4.
[5] See the *Survey for 1935*, vol. ii.
[6] In his report to the Council of the 30th June, 1936, which was printed as an annex to the minutes of the ninety-second session of the Council in *League of Nations Official Journal*, July 1936, pp. 895–7.

authorities in Danzig which would be more in accordance with the Constitution and with the various directions given by the Council.

In May Mr. Lester was able to report to the Council that its specific recommendations had been carried out, and he afterwards placed it on record that during May and the early part of June his co-operation in dealing with questions that had arisen had on several occasions been sought by Herr Greiser. On the 13th May the Council decided to renew Mr. Lester's appointment for a further period of one year dating from the 15th January, 1937, and the terms of the letter which Herr Greiser addressed to Mr. Lester on the 3rd June to congratulate him on his reappointment were certainly not such as to indicate that a new crisis in the relations between the High Commissioner and the Senate was likely to occur in the near future.

> I would like [wrote Herr Greiser] on my own behalf and on behalf of the Government of the Free City of Danzig once more to express my hearty congratulations and my especial pleasure at the appointment. I hope that your further term of office will be under a lucky star, and that your selfless mediation will, in the future also, work out for the good of the Free City of Danzig.[1]

Although there was a considerable relaxation of tension in the Free City in the spring of 1936, 'everything in the existing situation' could not be said to be 'satisfactory, considered from the point of view of the Constitution'.[2] There were, for instance, reports which found their way into the foreign press of recruiting for the German Army and Labour Corps in the Free City, and of the exercise of pressure, by such means as the withdrawal of labour permits, upon young men who did not wish to perform military or labour service in the Reich. Moreover, it was asserted in Opposition circles that the situation in regard to the free expression of opinion still left much to be desired, and that oppressive measures were still being taken against non-Nazis. By the beginning of June minor incidents had begun to occur again, and these included assaults upon persons who failed to salute the Nazi flag and brawls between National Socialists and members of Opposition parties. These incidents were the prelude to a new phase, in which the Senate's obligation to observe the terms of the Constitution was again flagrantly ignored, and the High Commissioner's authority was openly flouted.

In its local aspect the sudden change in the attitude of the authorities at Danzig in June 1936 meant that the Nazi Gauleiter, Herr

[1] Quoted by Mr. Lester in his report of the 12th September, 1936, to the Council (*League of Nations Official Journal*, November 1936, pp. 1359–62).

[2] Mr. Lester's report of the 30th June, 1936.

Forster, who had been the instigator of the oppressive measures which had caused a series of crises in 1934 and 1935, had once more gained the ascendant. Herr Forster, who was a member of the German Reichstag and a close friend of Herr Hitler, was not a member of the Government of the Free City, and had no official responsibility for the administration of the city's internal affairs; but as Gauleiter of the district he was superior in the National-Socialist party ranks to Herr Greiser, and he now used his power in order to put an end to the attempt which Herr Greiser had been making 'to harmonize in some degree his other loyalties [i.e. as a National Socialist] with his duties under the Constitution'.[1] Herr Forster seems to have been alarmed at the continuance of the tendency which had revealed itself in 1935[2] for citizens of Danzig to leave the National-Socialist ranks and join the Opposition, and to have believed that drastic measures were necessary in order to check this process of disintegration. By the beginning of June he had apparently convinced his superior officers in Berlin that a conciliatory policy was a mistake from the party point of view, and had received their authorization to revert to the earlier method. Since Herr Greiser's attempt to conduct the administration on constitutional lines must also have had the approval of Berlin, the question arises why the National-Socialist leaders should have decided at this moment to let Herr Forster have his head once more. The explanation was presumably to be found in the current internal and international situation of the National-Socialist Government of the Third Reich.

A forward movement in Danzig would be particularly useful to the rulers of Germany in June 1936 as a set-off to the temporary check in the execution of their designs upon Austria which was necessitated by the adoption of a policy of *rapprochement* towards Italy.[3]

[1] Mr. Lester's report of the 12th September, 1936. In his report of the 30th June, 1936, the High Commissioner had expressed his judgment of Herr Greiser's policy during the spring of 1936 as follows:

> President Greiser had given me some grounds for the impression that the Senate's policy was to be founded upon a genuine effort at co-operation. My hopes were higher inasmuch as I had reason to believe that his personal policy was the attempt to heal some of the deep wounds in the German-speaking people of Danzig. The bitter feeling which divided the population (in proportions of 58 per cent. and 42 per cent. in 1935) was deep, and to alleviate it would require much patience and wisdom, aiming at co-operation between the parties rather than forced absorption. It seemed to me that he hoped gradually to lay the foundations of a policy which would be, perhaps, broader than a partisan conception, and that his attempt would be slowly to prepare the formation of a German Front, necessarily based upon the constitutional and legal situation.

[2] See the *Survey for 1935*, vol. i, p. 235.

[3] For Italo-German relations during 1936, see section (vii) of this part of the

The consolidation of the Nazis' hold over the Free City could be exploited for internal purposes in Germany as a success, and would thus have an immediate propaganda value apart from the advance which it would mark towards the fulfilment of the ultimate aim of reincorporating Danzig into the Reich. At the same time, it was an advantage from the German Government's point of view that they need not associate themselves formally with the direction of Herr Forster's campaign, and would thus be in a position to avoid serious loss of prestige if a retreat should seem advisable. From the international point of view, however, the moment might be considered unusually propitious for a fresh act of defiance against international authority on the part of a Power which appeared to regard the unilateral assertion of its will as the proper method of conducting its foreign relations. The prestige of the League of Nations had by this time been greatly diminished as a result of the turn of events in Abyssinia.[1] Great Britain and France were on the point of announcing their decision to raise the sanctions which they had imposed upon Italy,[2] and Germany, who no longer had any fear that sanctions might be imposed upon her in her turn for her breach of treaty on the 7th March, 1936,[3] could calculate with reasonable certainty that the Powers which had refrained from intervening with sufficient vigour to save Abyssinia from her fate and which had virtually accepted the *fait accompli* in the Rhineland, were not likely to exert themselves unduly in order to save a few thousand persons of German race from oppression at the hands of their fellow citizens. The risk of action on behalf of the minority in Danzig could be discounted still further in view of the situation in France, where Monsieur Blum and his colleagues were struggling in their first weeks of office against internal troubles which were sufficiently serious to encourage a belief in Germany that the victory of the Front Populaire had set France upon the road to revolution.[4]

These were circumstances in which the idea of the forcible reincorporation of Danzig into the Reich was likely to make a specially strong appeal to the more hot-headed among Herr Hitler's followers; and there were rumours that an armed *coup* was actually in preparation. The responsible Nazi leaders, however, preferred the less sensational but still substantial measure of success which, they

present volume, and for the Austro-German agreement of the 11th July, 1936, see section (iv) (*a*) (4).

[1] See the *Survey for 1935*, vol. ii.

[2] *Op. cit.*, sections (xiii) and (xiv).

[3] See section (i) of this part of the present volume.

[4] See the present volume, pp. 163 *seqq.*, 342, above.

believed, could be achieved at much less risk by giving Herr Forster *carte blanche* to deal with the Opposition along the lines that had already been tried in 1934 and 1935. It was true that these methods had failed to secure for the Danzig Nazis the overwhelming majority which they had expected to obtain at the last election[1] (a failure which had caused deep disappointment in Berlin); but for the reasons that have been indicated it seemed probable that the Opposition would no longer be able to count upon the support which had stiffened their resistance in 1935.

Against this background events in Danzig moved rapidly towards a climax during June 1936. On the 12th June a meeting which had been arranged by the German Nationalist Party was broken up by Nazis, and the disturbance was of such a serious nature that about fifty people had to be treated in hospital. One man, a Nazi, died (according to the Opposition version his death was due to the diseased state of his heart, and not to the injuries which he had sustained) and several of the patients admitted to hospital were found to be suffering from serious wounds. During the next two days opinion in the Free City was inflamed by the issue of a leaflet under the heading 'Bestialische Bluttat an einem National-Sozialisten' and by addresses from Herr Forster, who 'bitterly assailed the Opposition, declaring that they alone were responsible for all Danzig's troubles, and . . . announced that the patience of the National-Socialist Party was exhausted and that order would be restored within three weeks. . . . To this he added a declaration that he was responsible to nobody for his actions in Danzig except to the leader of the movement in Germany'.[2]

These open threats on the part of a leader who had at his disposal some thousands of uniformed and drilled men caused great alarm among the minority in Danzig. Representatives of the Opposition had approached the High Commissioner immediately after the disturbances on the 12th June, and he had asked Herr Greiser to use his influence in order to prevent any manifestations which would make the situation worse. Mr. Lester made further representations to the Senate on the 16th June, and on the following day he took the unusual step of approaching the German Consul-General, Herr von Radowitz. The activities of Herr Forster—a German national and an official of the German Government who proclaimed publicly that he took his orders from Berlin alone—formed the subject of Mr. Lester's discussions with Herr von Radowitz (who had, of course,

[1] See the *Survey for 1935*, vol. i, pp. 233–4.
[2] Mr. Lester's report of the 30th June, 1936.

no legal right to be consulted in regard to the internal affairs of Danzig); and Herr von Radowitz promised to inform his Government of Mr. Lester's view that the situation threatened to become dangerous, and to draw their attention in this connexion to the statements which had been made by Herr Forster. Mr. Lester took this step 'in the sincere conviction that the German Government would share' his 'earnest desire to prevent serious trouble from developing' in Danzig.[1] On the 17th June and the three following days representations were also made to the Senate by the Polish Minister, Monsieur Papee, on behalf of Polish citizens and Danzig citizens of Polish origin who had been assaulted in the streets during the past few days, and in a note to the Senate of the 19th June Monsieur Papee also referred to the general concern of the Polish Government in the maintenance of order in view of their special interests in the Free City. The incidents which were now of daily occurence were not confined to the city itself; there were also disturbances in the surrounding villages, and in the course of these two Nazis were fatally wounded. The deaths of three members of the National-Socialist Party in a week played into Herr Forster's hands by giving occasion for the accusation that it was the Opposition which was employing terrorist methods. The funerals of the victims on the 17th and 18th June afforded the opportunity for huge demonstrations, and speeches were delivered at the graveside by Herr Lutze, the chief of the S.S., and Herr Himmler, the head of the German police.

Meanwhile Herr Greiser, Herr Forster, and Herr von Radowitz had all been summoned to Berlin, and at a conference on the 19th June it had apparently been decided that Herr Forster's methods of violence should be moderated for a time, but that the policy of maintaining good relations with the High Commissioner, which Herr Greiser had been endeavouring to follow during recent months, should be abandoned. On the 20th June, after Herr Greiser's return to Danzig, he announced that a police order would be issued immediately forbidding all political meetings and demonstrations, whether by National Socialists or by their opponents, and at the same time he reminded an assembly of Nazis that the Swastika flag was not the emblem of the Free City and appealed to them to refrain from compelling citizens to salute it. On the 22nd June it was announced that the Senate had given satisfactory assurances to Monsieur Papee regarding the protection of the lives and interests of Poles in the Free City and had promised compensation to those who had suffered injury during the recent disturbances. In Mr.

[1] *Loc. cit.*

Lester's judgment, these measures averted 'a very dangerous crisis in internal order . . . a crisis which might easily have led to external complications'.[1]

During the last ten days of June there were no serious disturbances of the peace in Danzig, but on the other hand developments took place which marked the definite termination of the relatively happy relations that had existed for a few months between the Senate and the High Commissioner. Earlier in the month it had been announced that a German cruiser, the *Leipzig*, would visit Danzig waters during the last week of June, and arrangements had been made by the German Consul-General and the Danzig authorities for the entertainment of the German naval officers. The arrangements included the usual visits of courtesy by the officers to the principal officials in the Free City, including the High Commissioner. The *Leipzig* arrived at Danzig on the 25th, and it was not until the time which had been arranged for the German officers' visit to Mr. Lester had actually come that the latter was informed, by a message from Herr Greiser, that the commander of the *Leipzig* had received instructions from his superior officers in Berlin not to call upon the High Commissioner. The implications of this deliberate act of discourtesy were underlined in a newspaper article from Herr Forster's pen,[2] which was given wide currency in the Free City during the next few days. The Nazi Gauleiter referred to a previous visit from a German warship in August 1935,[3] when the presence of Dr. Rauschning[4] at the High Commissioner's reception had led to the precipitate withdrawal of Herr Greiser and other Danzig officials (though not of the German naval officers in whose honour the reception was being given); and he intimated that the officers of the *Leipzig* had been instructed to refrain from visiting the High Commissioner in order that they might not be exposed to the risk of meeting 'notorious agitators . . . who never let slip an opportunity . . . of insulting the new Germany and the Führer'. Herr Forster also seized the occasion to launch an

[1] Mr. Lester's report of the 30th June, 1936.

[2] A translation was annexed to Mr. Lester's report of the 30th June, 1936, and printed in *League of Nations Official Journal*, July 1936, pp. 901–2.

[3] See the *Survey for 1935*, vol. i, p. 237 *n.*

[4] Dr. Rauschning had been invited as a former President of the Senate. (For some account of his period of office and the circumstances in which he had resigned, see the *Survey for 1935*, vol. i, Part I, section (vii) (*b*), especially pp. 218 *seqq.*, 228–31.) The guests had also included two or three honorary consuls who belonged to Opposition parties, but the leaders of the political parties had not been invited. It may be noted that while this incident had attracted a certain amount of attention in the press at the time it had not been the subject of any official representations to the High Commissioner from either the German or the Danzig authorities.

attack upon Mr. Lester and the manner in which he conceived of and carried out his functions. The theme that the High Commissioner had no right to intervene in the internal affairs of the Free City was one with which Mr. Lester and the members of the League Council were already familiar, but on this occasion it was elaborated in specially offensive terms. It was perhaps even more significant that on the day on which Herr Forster's article was published in Danzig (the 27th June) the official *Diplomatisch-Politische Korrespondenz* of Berlin contained criticisms, on much the same lines, of the part played by the League and its High Commissioner in the affairs of Danzig.

The ninety-second session of the League Council began in Geneva on the 26th June, and on the 30th Mr. Lester submitted to the Council a special report[1] on the events of the last few weeks. He also went to Geneva himself in order to consult Mr. Eden, the Council's *rapporteur* on Danzig questions, and the Polish Foreign Minister, Colonel Beck; and at a private session on the 2nd July the Council, on its own initiative and not at Mr. Lester's request, decided to place the questions raised in the High Commissioner's report on the agenda for the next public meeting of the Council on the 4th July.

The earlier part of Mr. Lester's report, in which he recounted the events of the 12th June and the succeeding days, once more raised the question whether the Nazis were to be allowed to ride roughshod over the minority in Danzig, in defiance of the terms of the Constitution and of the authority of the League's representative. Mr. Lester had, however, expressed the opinion that Herr Greiser's decision to prohibit political meetings had averted the crisis which had threatened to develop, and his views on this point afforded some ground for the assumption that the reversion to methods of terrorism had been merely temporary and that the policy of keeping within the framework of the Constitution had now been resumed. Informal discussions which preceded the public meeting of the Council on the 4th July, in which Mr. Lester took part, resulted in the decision that the members of the Council might consider themselves absolved in the circumstances from the necessity of examining once more the thorny problem of the internal situation in Danzig, and might confine their attention to the episode of the visit of the cruiser *Leipzig* to Danzig, which was considered to fall into a different category. The fact that Berlin was the source of the instructions to the German naval officers not to call upon the High Commissioner gave the incident an international character, and since the terms of the Constitu-

[1] Text in *League of Nations Official Journal*, July 1936, pp. 895 *seqq.*

tion made Poland responsible for the conduct of the Free City's foreign relations, the obvious course for the Council to follow was to ask the Polish Government to take the matter up with the German Government. Mr. Eden, who was both President of the Council for the ninety-second session and *rapporteur* on Danzig, secured the consent of Colonel Beck to this arrangement, and he was therefore able to open the discussion on the 4th July by presenting for the Council's approval a resolution requesting the Polish Government

> to deal with the matter on the Council's behalf through the diplomatic channel, and to furnish the Council at its next ordinary session with a report on the results of the action which it may have been found possible to take.

In his introductory remarks Mr. Eden referred very briefly to the Free City's internal affairs and expressed his confidence that, 'given whole-hearted co-operation by the Government of the Free City with the League High Commissioner, the internal situation would speedily be restored to normal'. Before the Council could go on to record its formal approval of the resolution submitted by its President, the hope of a return to the state of affairs which had existed before the disturbances began in June was rudely shattered by the demeanour and utterances of the President of the Danzig Senate. As soon as the Council had decided to place the question of Danzig upon its agenda, the usual invitation to attend the meeting had been telegraphed to Herr Greiser, who had decided (though not, apparently, without some hesitation) to accept it. Herr Greiser had broken his journey to Geneva in Berlin, whither Herr Forster had preceded him, and it was widely assumed that the broad lines of his speech to the Council had been agreed upon in consultation with members of the German Government. It was indeed suggested in some quarters that the speech had actually been drafted in Berlin by Dr. Goebbels. A partial explanation of Herr Greiser's bearing at Geneva may perhaps be found in the difficulties of his personal position and of his relationship to Herr Forster; he may have deemed it expedient to give the National-Socialist Party leaders proof that his zeal for the cause was no less great than that of Herr Forster. Whatever the reason, Herr Greiser adopted an attitude of truculence which was almost unprecedented in the history of Council meetings,[1] and he delivered a tirade against the League in general and Mr. Lester in particular

[1] Herr Greiser himself had given the Council a taste of his quality in this respect on earlier occasions (notably at the meeting on the 22nd January, 1936 —see the *Survey for 1935*, vol. i, pp. 242–3) but he had not hitherto attained to such a level of offensiveness.

which contrasted oddly with the almost cordial relations that had existed between him and the High Commissioner during recent months.

Herr Greiser began by expressing surprise because the questions under discussion had been 'so hurriedly placed on the agenda',[1] and suggested that this was a deliberate manœuvre designed to 'distract attention from the settlement of other disagreeable events' (the reference was, of course, to the decision which was formally taken by the Assembly on that same day to raise the sanctions which had been imposed on Italy).[2] On the subject of the *Leipzig* incident he remarked that it was 'scarcely surprising' in view of 'the lack of tact shown by the High Commissioner on the occasion of the last visit of a German warship', and he then went on to announce his intention of going 'thoroughly, once for all, into the questions affecting Danzig'. In reviewing the relations between the Free City and the League, he declared that 'neither politically nor economically had the people of Danzig obtained any advantage from the League'; the Council had done nothing to avert the economic collapse which had threatened the Free City, and it had not been able to bring about the reconciliation with Poland which had been achieved as soon as the National Socialists came into power. He accused the High Commissioner of making during the past two years 'a constant and careful search for any grains of explosive matter that could be exposed to the heat of public opinion and made to flare up before the Council of the League', and of encouraging the minority 'to terrorize the constitutionally established majority' in defiance of democratic principles. 'The tactics followed by the High Commissioner', he said, 'had aroused against him opposition for which the Danzig Government was not responsible but for which Mr. Lester was himself to blame, for he did not understand the mentality of the German population and did not even speak its language.'

Herr Greiser then proceeded to propound alternative solutions for the difficulties which had arisen:

> The Council might . . . send a new High Commissioner to Danzig, instructing him, like all the former High Commissioners, to refrain from any interference in internal politics and to devote himself entirely to his province of foreign policy. He was authorized to state officially, on behalf of the Danzig Government, that, in the event of such a reorganization, all the rights enjoyed by the Polish minority in the territory of the Free City of Danzig in virtue of treaties and agreements, and all the

[1] Herr Greiser assumed that this action had been taken at Mr. Lester's instance, and Mr. Eden later set him right on this point.

[2] See the *Survey for 1935*, vol. ii, pp. 506–9.

rights of the Polish state, would be respected. Another solution which might be considered would be that the Council, in view of the imminent reorganization and reform of the League of Nations, should decide no longer to send a High Commissioner to Danzig. The League of Nations could continue to implement its guarantee through the President of the Senate and Head of the Government, who would be responsible to the League of Nations. In this way, order and peace would be assured for ever in Danzig both in home and foreign affairs.

On the conclusion of Herr Greiser's long speech, the President was obliged to adjourn the debate for a couple of hours because a meeting of the Assembly had been called for 6 o'clock. Before the members of the Council dispersed, Mr. Eden himself made the point that the League of Nations had not been responsible for setting up the régime of the Free City, but had merely accepted the functions laid upon it by the Treaty of Versailles; while Colonel Beck pointed out that the resolution which was before the Council 'did not raise the general problem, nor questions relating to the domestic policy of the Free City', and reserved his right to express his views, at the appropriate moment, on the 'various ideas and observations not connected with the immediate subject of the discussion' to which Herr Greiser had given expression.

The adjournment of the Council at 6 p.m. on the 4th July, 1936, was the occasion of an incident which created a world-wide sensation; and although the breach of good manners of which the President of the Danzig Senate was guilty might not in itself be specially important, it was generally felt to have considerable significance as a symptom and a symbol of the German attitude of mind at the time towards international authority. As Herr Greiser rose to leave the Council Chamber he gave the Nazi salute, and his action provoked a few journalists in the press gallery to laughter. Thereupon Herr Greiser, as he passed the press gallery, cocked a snook and put out his tongue. The President of the International Association of Journalists accredited to the League drew Mr. Eden's attention to Herr Greiser's behaviour, but Mr. Eden replied that he had not himself seen the incident and that he thought it would be more in conformity with the dignity of the Council to take no notice of it.

When the meeting of the Council was resumed later in the evening it was evident that none of the members felt any inclination to take up the challenge which Herr Greiser had thrown down. The Australian representative, Mr. Bruce, summed up the general feeling when he remarked that, while he would be prepared at any time 'to examine any matter concerning the Free City of Danzig which might be before the Council if it were raised in the proper manner', he

'certainly was not prepared to consider any questions . . . that had been raised in the speech made that afternoon'. Mr. Lester, in his contribution to the debate, refrained from defending himself against the charges which had been levelled against him personally, though he remarked that Herr Greiser's speech 'would give the Council some idea of what its representative at Danzig was exposed to'. All the other speakers, who included the Foreign Ministers of France and of Poland, united in assuring Mr. Lester that their confidence in him was unimpaired and that he could continue to count on their full support. A formal assurance to this effect was also given by Mr. Eden in his capacity as President. In regard to Herr Greiser's proposals for a revision of the régime of the Free City, Mr. Eden said that

> it was obvious that the Council could not take those proposals into consideration at the moment. They raised wide issues which none of the members of the Council would wish to discuss without deep reflection. The representative of Poland had said that he reserved the right to return to those proposals at an opportune moment. The Council would, Mr. Eden thought, be content to leave the matter there for the present.

Before the meeting terminated with the adoption of the resolution which Mr. Eden had submitted in the afternoon, Herr Greiser made another speech which, though less offensive in tone than his earlier declaration, was even more serious in its implications. He interpreted Mr. Eden's statement to mean that, while he proposed at this meeting to keep to the points actually on the agenda, 'if circumstances appeared opportune, he would revert to Herr Greiser's statement later'. Herr Greiser thanked Mr. Eden 'most particularly' for 'considering the possibility of studying the Danzig Government's proposals subsequently'. Herr Greiser then explained that in his previous speech he had 'opened a first offensive in favour of a revision of the relations between the League of Nations and the Free City of Danzig' and he 'wished it to be understood that he had done so not only on behalf of the Danzig population but on behalf of the whole German people'. This public statement that the demand for a radical change in the relations between Danzig and the League had the backing of Germany obviously placed the whole issue on a different plane. Herr Greiser concluded his speech with the remark that 'in the coming months the German people expected of the League of Nations resolutions which would make it possible for the President of the Senate of the Free City of Danzig not to have to appear again before the League of Nations'.[1]

[1] Herr Greiser went a step farther than this on his return to Danzig, when he told representatives of the foreign press in categorical terms that he did not intend to go to Geneva again in order to be present at a discussion of

Herr Greiser's attitude and his statements naturally gave rise to a good deal of perturbation at Geneva, and the situation was discussed at a secret meeting of the Council which was held immediately after the termination of the public meeting on the 4th July. During the next few days inquiries as to the meaning which was to be attached to Herr Greiser's declarations were made at the Auswärtiges Amt in Berlin on behalf of the French, British and Polish Governments. The reply to these *démarches* was said to have made it clear that the claims put forward by Herr Greiser had the sympathy of the German Government, but at the same time formal assurances were given that the Government would take no step which was likely to create further trouble in the Free City and that there was no question of any attempt to modify the *status quo* by force. It was significant that the German press, which had at first expressed the warmest approval of Herr Greiser's stand and had contained virulent attacks on Mr. Lester, should have considerably moderated its tone after a day or two. This change was apparently due, in part at least, to the fact that the Polish Government were showing considerable concern over the implications of Germany's forward move in Danzig.[1]

The comment in the official Polish press on recent events in the Free City had tended to confirm the opinion which had been formed in Germany, on the basis of earlier experiences, that the renewal of the Nazi campaign against the Opposition in Danzig was not likely to encounter any serious obstacles in Warsaw. The Polish Government could claim that the special relation in which they stood to Danzig did not give them any right—other than that possessed by all members of the League Council—to intervene in questions which did not directly affect Polish interests, and their disinclination to take the initiative in defence of Social Democrats and Nationalists and other non-Nazis in the Free City was not diminished by the recollection of the constant friction between Danzig and Poland

Danzig's internal affairs, and that Danzig had 'finished with the League' so far as domestic politics were concerned. (See the extracts from the press which were sent by Mr. Lester to Geneva on the 20th July, 1936, and which are reproduced in *League of Nations Official Journal*, November 1936, p. 1374.)

[1] There were reports of Polish military dispositions in the provinces adjoining Danzig during July. It was also significant that the Polish Government should have taken steps, within a few weeks of Herr Greiser's outburst at Geneva, to reanimate the friendship between Poland and France, which had been flagging since the conclusion of the German-Polish agreement in January 1934 (see section (iii) of this part of the present volume). In August 1936, also, the Polish Government decided to appoint a Minister to replace the *chargé d'affaires* who had been representing Poland in Prague since October 1935 (see the *Survey for 1935*, vol. i, p. 294). The new appointment was not actually announced, however, until November 1936 (see p. 567, below).

which had been the order of the day before the National Socialists came into office. The attitude of Polish official quarters on this question appears to have encouraged in German minds the hope that the Polish Government might be prepared to co-operate with the Danzig Senate in their efforts to abolish the régime under which the Senate's activities were subject to League supervision. Herr Greiser was indeed said to have made the definite suggestion that the Danzig Senate and the Polish Government should work out a solution of the Danzig problem in collaboration, without the intervention or assistance of the League of Nations.[1] The impression that Poland might be prepared to come to terms with Danzig at the expense of the minority in the Free City was not dispelled by the policy which the Polish Government adopted after the 4th July, 1936, but the nature of the terms on which the Polish Government insisted caused hesitation on the German side.

The Polish Government naturally regarded the Danzig problem primarily from the point of view of the protection of their own interests, and their reaction to Herr Greiser's declaration at Geneva was determined by the fear that the far-reaching changes which he advocated would undermine Poland's position in the Free City. The Polish Government might feel that they had no responsibility in respect of the treatment that was meted out to Social Democrats and other members of the Opposition in Danzig, but they were concerned to see that their own nationals in the territory of the Free City did not suffer a similar fate, and they were determined not to be deprived of the rights and privileges in the port of Danzig which Poland enjoyed under the Treaty of Versailles and subsequent treaties.[2] Moreover, from the strategical point of view it was of great importance to Poland that there should be no change in the status of the Free City which would make it possible for Germany to transform it into a military and naval base. The substance and tone of Herr Greiser's two speeches on the 4th July appear to have disturbed Colonel Beck very considerably, and he in turn was said to have expressed himself strongly on the subject of Polish rights in an interview which he had with Herr Greiser before they both left Geneva.

[1] Herr Greiser was said to have offered in return the cessation of all propaganda for the reincorporation of Danzig into the Reich.

[2] In the long-drawn-out controversy between Danzig and Poland which had arisen as soon as the Polish port of Gdynia began to come into operation, it had been one of the principal Polish arguments that neither Danzig nor Gdynia alone would suffice to deal with the volume of Polish sea-borne trade (see the *Survey for 1932*, pp. 381 *seqq.*; the *Survey for 1935*, vol. i, pp. 219 *seqq.*; and I. F. D. Morrow: *The Peace-Settlement in the German-Polish Borderlands*, chapter IV (3)).

The Polish Government's attitude, as it was defined in statements in the official press, was that there could be no change in Danzig's foreign relationships or in Poland's responsibilities in that connexion; that Poland was not opposed in principle to modifications of the Danzig Constitution, but that in the event of any change in the relations between the League and the Free City she would demand additional guarantees of her own interests; and that, although negotiations on such guarantees could be conducted direct between Danzig and Warsaw, Poland would reserve the right to submit for the approval of the League any arrangement that might be reached. The Polish point of view was explained by Colonel Beck to Herr Greiser on the 4th July, and there were further exchanges of views between Herr Greiser and Monsieur Papee in Danzig on the 8th July, and between the Polish Ambassador, Monsieur Lipski, and the German Foreign Minister in Berlin on the 8th and 9th. The Polish Government's demand that any weakening of League supervision over the affairs of Danzig should be compensated for by an increase in Polish rights and privileges was not well received in either Danzig or Berlin; but in Poland itself it was clear that the whole country was virtually united in demanding adequate protection of Polish interests in the Free City, and the Government were criticized for not taking sufficiently energetic steps to secure this end. On the 17th July there was a huge demonstration in Warsaw which was organized by the Polish Maritime and Colonial League and attended by more than 20,000 persons drawn from both the Government's opponents and their supporters. A resolution was carried protesting against Nazi proceedings in Danzig and demanding the maintenance in full of Poland's treaty rights in the port. Similar demonstrations, often of a decidedly anti-German character, took place in other towns throughout the country during the next few days. On the 22nd July Herr Greiser protested to Monsieur Papee against these manifestations, but accepted his assurance that they need not be regarded as affecting in any way the good relations between Poland and the Free City.

The Polish Government drew a distinction between the *Leipzig* incident, for a settlement of which they had received a mandate to negotiate with the German Government, and the broader questions of the future status of Danzig, which were or might be a matter for negotiation in future between the Free City, Poland, and the League. The *Leipzig* incident was dealt with in conversations between Monsieur Lipski and Herr von Neurath, and on the 24th July there was a formal exchange of notes on the subject. Monsieur Lipski asked the German Foreign Minister to give him 'such information regarding

the attitude of the Government of the Reich in this matter as would enable the Polish Government to fulfil the mandate entrusted to it' by the League Council. The reply of the German Government to this request was as follows:

> Having regard to the well-known incidents which took place at the reception given at the end of August last year by Mr. Lester, High Commissioner of the League of Nations, in honour of the officers of the German battleship *Admiral Scheer*, the German Government did not wish to expose the German officers to a repetition of such annoyance and therefore instructed the commander of the *Leipzig* not to pay a visit to Mr. Lester. There was thus no intention of acting contrary to the Statute of the Free City or against the rights of Poland.

It will be seen that the explanation which was given by the German Government was precisely the same as that which had been offered by Herr Forster immediately after the incident occurred and by Herr Greiser at the Council meeting on the 4th July; but the Polish Government accepted Herr von Neurath's reply as satisfactory, in spite of its reflections upon the conduct of the High Commissioner whom the Polish representative had assured three weeks earlier of his full confidence and support, in virtue of the last sentence of the note which is quoted above. It was an indication of the spirit in which the German-Polish negotiations had been conducted that Herr von Neurath should have thought it advisable to give Poland an assurance that her rights were in no way affected by the incident, and it was a symptom of the change in the attitude of the Council which was to be revealed more clearly a few months later that the settlement should also have been accepted as satisfactory (though not, apparently, without some misgivings) by the Governments of France and Great Britain, to whom the exchange of notes was communicated in advance of its communication to the Council as a whole.

While the negotiations for a settlement of the *Leipzig* incident had been in progress, the Nazis in Danzig had been taking steps to carry on the campaign for the suppression of the Opposition which Herr Forster had announced in the middle of June, and in general to conduct the administration of the Free City as though the League of Nations did not exist. In his interview with Monsieur Papee, on the 8th July, Herr Greiser was said to have given an assurance (in response, apparently, to the intimation that far-reaching changes in the Constitution would evoke equally far-reaching Polish demands) that the Senate did not intend to take any exceptional measures, and that their action against the Opposition would be kept within the framework of the Constitution; but, as on earlier occasions, this

promise was interpreted with so much liberality that it might as well never have been made. As for the representations of the High Commissioner, these were dealt with by the simple method of ignoring them. The first unconstitutional measures that were taken were against the freedom of the press. The publication of the Socialist organ, the *Danziger Volksstimme*, was suspended on the 7th July, and that of the *Danziger Nationale Zeitung* (the German Nationalists' paper) on the 8th July, in both cases for five months. The reason for these orders was the publication in the Opposition press of a manifesto repudiating the declaration which Herr Greiser had made (on behalf, he said, of the whole population of the Free City) at Geneva on the 4th July. On the 18th July the *Danziger Echo*, a Jewish paper, was forbidden to appear for ten months.[1]

On the 11th July *Gleichschaltung* was brought one degree nearer by the issue of an order laying it down that all civil servants and Government employees must belong to the National-Socialist Party. The main object of this move was apparently to dispose of certain non-Nazi judges whose decisions had not always accorded with Nazi ideas. This was followed up on the 16th July by the promulgation of a series of legislative decrees, the effect of which was to abolish most of the civic rights which were still enjoyed by citizens of Danzig who were not National Socialists and thus virtually to nullify the guarantees of political liberty which were given by the Constitution.

Under these new regulations organizations or associations might be dissolved if any of their members were found guilty of having, with the knowledge and consent of the Executive Committee, published news calculated to endanger the interests of the state. A rider to the effect that the communication of such news to political quarters was equivalent to publication would make it possible for the authorities to order the dissolution of any political party which lodged an appeal with the High Commissioner. The powers of the police were greatly increased by provisions which abolished the right of appeal to the courts against police orders of a political nature (defined as orders affecting the right of association and public meeting, freedom of the press, imprisonment without trial and the carrying of arms) and which extended, from three weeks to three months, the period for which persons might be taken into 'preventive custody'. Other measures aimed against the Opposition parties were those which prohibited members of the Volkstag from acting as editors of newspapers and which tightened up the regulations governing the

[1] Two less important Opposition journals had been prohibited for six months at the end of May.

carrying of arms, while the rights of the Jewish minority were infringed by a decree on the slaughtering of animals, which forbade the provision of Kosher meat.[1]

Copies of these decrees were at once forwarded to Geneva by Mr. Lester for the information of a small committee, consisting of the representatives of Great Britain, France and Portugal, which had been appointed by the Council on the 4th July to follow developments in Danzig.[2] Mr. Lester explained that, in view of Herr Greiser's declaration at Geneva and of the subsequent statements which he had made defining his attitude to the League,[3] he had not yet decided whether or not it would serve any useful purpose to ask for the Senate's observations on the new decrees. On the 19th July the High Commissioner was again attacked in a public speech by Herr Forster, but on the 22nd July he decided nevertheless to approach the Senate on the subject of the decrees of the 16th. He received no reply either to this communication or to a second note of the 8th August repeating his request for observations. Meanwhile, in order to make it still more difficult for members of the Opposition to lay complaints before the High Commissioner and for the High Commissioner himself to carry out his functions, a member of the political police had been posted outside the door of his office who barred the door 'to every visitor, with a request for proof of identity and the purpose of the visit'.[4]

The members of the Opposition in Danzig had awaited with apprehension the use which the authorities would make of the new powers

[1] The Jewish community were already in a state of great uneasiness owing to the increasingly severe pressure upon them. At the beginning of August an appeal from the Jews came before the Danzig Supreme Court, which ruled that they had no right to protest against the exhibition, on buildings belonging to the state, of posters calling for an anti-Jewish boycott.

[2] A meeting of the Committee of Three was not summoned, but Mr. Eden and Monsieur Delbos were said to have discussed the situation when the latter was in London on the 23rd July for a meeting of the 'Locarno Powers'. (See the present volume, pp. 348–9, above.) The prospects for the success of the negotiations for a 'new Locarno' were at this moment looking more hopeful, and in these circumstances it was perhaps considered impolitic to undertake an examination into the position at Danzig which might have been taken amiss by Germany. At the same time, the failure of the Committee of Three to take any action naturally encouraged the Nazis in Danzig to proceed on the assumption that there would be no serious attempt on the part of the League to restrain their activities.

[3] See p. 551, above, footnote.

[4] Note by the High Commissioner dated the 8th August, 1936, attached to his report to the Council of the 12th September, 1936, and printed in *League of Nations Official Journal*, November 1936, pp. 1263–4. A postscript was added on the 7th September to the effect that the detective had 'not been observed at the office door of the High Commissioner during recent days'.

which they had arrogated to themselves; and their fears were confirmed when, in the last week of July, two officials and three supporters of the German Nationalist Party were arrested and the offices of the party were raided. A month later twelve members of a workers' sport organization were arrested on their return from a tour in Denmark. The repressive measures against the press were also continued; publication of the Catholic *Volkszeitung* was forbidden for six months on the 5th August,[1] and the appeals of a number of journals against their suspension were dismissed by the special Press Court which had been established in February 1936 to deal with such cases.[2] On the 23rd September the Supreme Court rejected appeals which had been made by the Communist Party and the General Workers' Union against their dissolution, which had been ordered by the police in May 1934 and December 1935 respectively. These appeals had already been rejected by the lower courts, and the decision of the Supreme Court meant that the ban was absolute in both cases. On the whole, however, and in comparison with subsequent developments, there appeared to be a certain tendency on the part of the authorities during the summer of 1936 to refrain from carrying the campaign against the Opposition to extremes—a restraint which was probably due to uncertainty as to the line which the Council of the League would take when the question of Danzig came before it again at its autumn session.

The Council, which met for its ninety-third session on the 18th September, had on its agenda the question of the incident which had occurred during the visit of the *Leipzig* to Danzig. This incident was settled on the 25th September by the adoption of a report from the Polish Government in which the notes that had been exchanged on the 24th July[3] were submitted for the Council's approval. In moving the formal acceptance of this report, Mr. Eden, as the Council's *rapporteur* on Danzig, mentioned that the Committee of Three which had been appointed on the 4th July would be meeting during the next few days in order to examine the situation in Danzig in the light of reports which had been received from the High Commissioner.[4]

[1] The issue of the *Volkszeitung* for the 21st July had been seized by the police because it contained a pastoral letter from the Catholic Bishop of Danzig which had been read from all Catholic pulpits on the previous Sunday. In this pastoral letter the Bishop had protested against recent threats, which had been uttered by the Senator responsible for education, against children who took part in the activities of the Catholic Youth.

[2] See the *Survey for 1935*, vol. i, p. 245.

[3] See pp. 554–5, above.

[4] Mr. Lester had sent communications to the Committee of Three on the 20th and 22nd July and the 8th August, dealing with the decrees of the 16th

Thereupon Dr. Böttcher, who was acting as representative of the Free City in place of Herr Greiser (whose publicly announced refusal to attend another meeting of the League Council for the discussion of the Free City's internal affairs did not apply in this case, since the *Leipzig* incident fell into the sphere of Danzig's international relations) indicated that the Senate had not been aware that 'other questions affecting Danzig might be placed on the agenda' and that it would be 'very difficult' for them to express their views on such questions during the current session. In point of fact, no representative of Danzig was present at the meeting of the Council on the 5th October when the Committee of Three presented its report on the general problem of the future relations between the League and the Free City.[1]

While the Committee of Three[2] was still engaged in considering these questions, it became known that the Council, at a private meeting on the 30th September, had accepted a recommendation from the Secretary-General that Mr. Lester should be appointed to the post of Deputy Secretary-General of the League which had been rendered vacant by the appointment of Señor Azcárate as Spanish Ambassador in London—with the stipulation, however, that Mr. Lester should remain in Danzig until the question of his successor had been settled. From Mr. Lester's personal point of view this change of posts was a release from a peculiarly difficult and unpleasant task. The Council, which had repeatedly affirmed their confidence in Mr. Lester and their gratitude to him for the manner in which he had carried out his duties, could point to his selection to fill this important post in the Secretariat of the League as proof that their good opinion of him had not changed; but this face-saving manœuvre did not alter the fact that the withdrawal of a High Commissioner who had made himself obnoxious to the National Socialists by his defence of the constitutional rights of the minority was bound to be interpreted, by the Nazis and by their opponents alike, as proof that the Council was unable or unwilling to assert its authority in

July and with the police control at the door of his office, and on the 12th September he had submitted a fuller report on the position, in which he laid stress on the manner in which his representations were being ignored. (Extracts from the report of the 12th September will be found in *Documents on International Affairs, 1936*).

[1] Herr Greiser subsequently addressed a protest to the Secretary-General against the alleged lack of courtesy which had been shown in not giving the Senate longer notice of the discussion on the 5th October.

[2] After the Assembly, on the 3rd October, had elected the non-permanent members of the Council for the coming year, Portugal's place on the Committee of Three was taken by Sweden.

Danzig and had capitulated to the Nazis' demand that there should be no further attempt to implement the League's guarantee so far as the rights of individual citizens of Danzig were concerned.

The Council was admittedly in a very difficult position. As Mr. Lester's reports showed, his relations with the Senate were in a condition of stalemate which could only be broken either by his withdrawal or by the submission of the Senate to the League's authority. In January 1936 the Senate had yielded to pressure from the Council, but since that date the League had suffered a serious loss of prestige, and, in view of Herr Greiser's attitude at Geneva in July and of subsequent events in Danzig, it seemed certain that the Senate would be very much less amenable to moral suasion now than they had been nine months earlier. Taking into account also the fact that the small community which was setting the League at defiance could count upon the more or less open support of the German Reich, it was perhaps understandable—however deplorable it might be on general principles—that the Council should have decided to retreat rather than run the risk of failing in an attempt to impose its will.[1] In support of the course of avoiding an open trial of strength with Germany, it could be argued that the internal position in Danzig was an issue with which the League was only incidentally concerned. It was certainly true that when the Constitution of Danzig was drawn up and placed under the League's guarantee the position which had now arisen had never been contemplated.[2] The difficulties which had been anticipated had been those in connexion with Poland's position in the Free City which had in fact engaged the attention of the High Commissioner and the Council at frequent intervals during the period from 1920 to 1933, and there had been no reason to suppose that the League's guarantee of the Constitution would involve intervention between Germans of differing political views in the Free City. It has been seen that the Council had, nevertheless, maintained hitherto that since the League had guaranteed the Constitution as a whole it was bound to concern itself in the execution of the provisions relating

[1] It must also be remembered that at this time the British Government were still attempting to assemble a Conference of the West-European Powers, with the object of concluding a 'new Locarno' (see pp. 363 *seqq.*, above). In these circumstances the question of the internal administration of Danzig might perhaps be regarded by the statesmen concerned as a matter of relatively little importance which ought not to be permitted to prejudice the chances of a Western settlement. This view of the issues at stake, however, did not appear to make sufficient allowance for the probable effects upon the Nazis' policy of another—even if only a minor—success achieved by the method of taking the law into their own hands.

[2] See the High Commissioner's *Annual Report* for the year 1935.

to the rights and liberties of individuals no less than in the execution of the provisions relating to Polish rights and privileges. This standpoint was now tacitly abandoned.

When, on the 5th October, 1936, the members of the Council accepted the recommendation of the Committee of Three that Poland, who had acted as the Council's mandatory in the settlement of the *Leipzig* incident, should be asked to undertake the further mission of negotiating with Danzig for a settlement of the problem of the relations between the League and the Free City, they achieved what sometimes appeared to be the paramount aim of Genevan diplomacy—the postponement of a decision which might precipitate a crisis. To a cynical observer it might appear that the main object of gaining time on this occasion was to give the Nazis the opportunity of carrying the process of *Gleichschaltung* to a point at which the Council would only have to accept a *fait accompli*; but, whether or not this motive was present in the minds of any of the statesmen concerned, it is difficult to imagine that they can have been under the illusion that Poland could produce a solution which would not involve the acquiescence of the League in the suppression of the Opposition at Danzig by means that were contrary to the Constitution. The Polish Government had made it clear in July that they were prepared, for their part, to let the Nazis have their way with the Opposition provided that their own interests were adequately safeguarded;[1] and indeed they could not fairly be expected to take a line which would imperil their relations with Germany unless they could be sure that in any consequences which might ensue they would have the full support of the other members of the Council and particularly of the Great Powers. In the absence of clear-cut instructions to the contrary, therefore, it was obvious that representations on behalf of the non-Polish minority in Danzig were not to be looked for from Poland, who would certainly concentrate on obtaining the best possible terms from the point of view of her own interests. It was true that the report which was adopted by the Council on the 5th October did invite Poland to seek a means 'of rendering fully effective the guarantee of the League of Nations', and, if this phrase was read only in the light of the Council's earlier decisions on the subject of the inclusion of the rights of individuals within the scope of the guarantee, it could be interpreted to mean that Poland was expected to seek a solution which would not deprive members of the Opposition parties of the League's protection. This was not, however, the interpretation which the Polish Government did put upon

[1] See pp. 552–4. above.

their instructions, and in all the circumstances of the case the other members of the Council could hardly be acquitted of foreknowledge of the line which their mandatory would take.

The Committee of Three's report, which was adopted by the Council on the 5th October, was a short document which can be quoted here practically *in extenso*.

> It is clear from [the] reports of the High Commissioner that the Council and the High Commissioner are at the present time meeting with systematic obstruction from the Senate in carrying out the functions accepted by the Council of guaranteeing the Constitution of the Free City. The Senate, in particular, has failed to furnish the information which it is bound to supply under the provisions of Article 42 of the Constitution and in accordance with the Council decision of the 22nd May, 1931. Furthermore, the Senate has issued several decrees whose compatibility with the terms of the Constitution is open at least to grave doubt.
>
> It would have been possible for the Committee to suggest that the Council should take legal advice in regard to this matter. If the Committee has not done so, it is because it is of the opinion that the situation requires to be considered as a whole and therefore calls for a fuller and more general examination, and that it is only in the light of that examination that the Council will be able to decide on the course which should be followed.
>
> The Council will certainly have been struck by the vexatious measures taken in regard to the High Commissioner's residence. The gravity of the question with which the Council has to deal may be judged from the fact that such treatment should be meted out to a representative of the League whose actions have been strictly limited to the carrying-out of instructions given to him by the Council with the full agreement of the Danzig Government.
>
> The Committee is convinced that the Council can count upon the full assistance of the Polish Government in dealing with the situation. It is of opinion that that Government is particularly well placed to undertake the examination which the Committee considers should now be initiated with a view to enabling the Council to determine its future course with a full knowledge of the situation.
>
> Accordingly, the Committee submits to the Council the following resolution:
>
> 'The Council,
>
> 'Having taken note of the report submitted to it by the Committee of Three;
>
> 'Considering that it is necessary to seek a means of putting an end to the obstruction offered by the Danzig Government to the High Commissioner in the exercise of his functions and to render fully effective the guarantee of the League of Nations;
>
> 'Considering on the other hand that the Statute of the Free City was conceived in order to ensure in the best conditions possible the well-being of Danzig and the maintenance of the rights accorded to Poland by the international instruments in force:

'Invites the Polish Government to seek, on behalf of the Council, the means of putting an end to the situation described in the general report of the High Commissioner and thus of rendering fully effective the guarantee of the League of Nations and to make a report on this subject at its next session.

'Requests the Committee of Three to continue to follow the question;

'Declares its readiness, in view of the importance of the question, to hold a special session, in case of need, to deal with it.'

This report was presented by Lord Cranborne (on behalf of Mr. Eden, who had already left Geneva) and was adopted by the Council without discussion, after the Polish representative, Monsieur Komarnicki, had expressed his Government's readiness to undertake the mission entrusted to them and their hope that they could 'count on the co-operation of the Senate of the Free City in [their] endeavour to find means of easing the situation in a manner satisfactory to all parties concerned'.

Meanwhile the news of Mr. Lester's appointment to a new post had been received with rejoicing by the Nazis in Danzig and with consternation by their opponents, and the Nazis had promptly celebrated the occasion in a manner which showed that they appreciated the full significance of their victory. During the first week-end of October seventy-four members of the Social-Democratic Party were arrested when they were attending a meeting of the Executive Committee, and a day or two later it was announced that two Socialist members of the Diet, two officials of the party and the editor of the *Volksstimme* had been found guilty of being in the illegal possession of arms and had been sentenced to terms of imprisonment. Further arrests followed, and there were extensive house to house searches for arms, which were often conducted with great brutality (in some cases it was alleged that houses were actually demolished). In the middle of October 120 leading Socialists were officially stated to be under arrest, and on the 14th the Police President ordered the dissolution of the Social-Democratic Party and all its affiliated organizations, on the ground that stores of arms and ammunition had been found in the possession of the party leaders. An appeal against this decision was rejected by the Senate on the 11th January, 1937.

The comments of the Nazi press made it clear that the days of the German Nationalist and Centre Parties also were numbered, but for some time the methods adopted in dealing with those parties were less drastic—in the hope, apparently, that the rank and file, with the example of the Socialists before their eyes, might be induced to seek admission or readmission into the National-Socialist Party.

The first step was the elimination of the most prominent of the German Nationalist leaders. Early in October Herr Weise, the head of the party and editor of its journal, left Danzig in order to avoid prosecution,[1] and some ten days later Dr. Blavier, who had succeeded Herr Weise in the leadership of the party, was sentenced to three months' imprisonment on the charge of spreading news dangerous to the state. In the middle of October there were disturbances at a meeting of the Centre Party, and about a dozen Catholics were injured, but no arrests of the Centre Party leaders were reported at this stage. In the middle of November, by way of making it more difficult for the Opposition press to evade the ban which had been placed on its publication in the summer, the proprietor of the works at which most of the journals in question were printed was arrested on a charge of evading the payment of taxes, and his machinery was seized because he could not pay immediately the heavy fine which was imposed upon him. Early in December some sixty persons were taken into custody on the charge of belonging to an illegal 'Spartacist' organization which had been formed after the dissolution of the Communist Party, and in January 1937 a number of alleged Communists were sentenced to long terms of imprisonment. Before the turn of the year, also, the Nazis had changed their tactics towards the Centre Party. A member of the Centre Party was one of five deputies whose immunity from arrest was suspended by a majority of the Volkstag on the 2nd December, in order that they might stand their trial for 'activities hostile to the state',[2] and in the last week of December the arrest of a number of prominent members of the party was reported, after their offices and their houses had been searched. At the same time Herr Forster announced publicly that it would be the Nazis' most urgent task in the new year to prevent the Centre Party from carrying out its 'pernicious and futile work'.[3] On the 11th January, 1937, further decrees were issued which gave the authorities additional opportunities for

[1] Herr Weise returned to Danzig subsequently, but he appears to have made no further attempt to lead the opposition to the Nazis. He was reported to have been among the majority of the members of the Volkstag who voted for the prolongation of the Enabling Bill on the 5th May, 1937 (see p. 573, below).

[2] Two of the deputies (a Socialist and a Communist) were arrested as they left the building after the meeting.

[3] Reports were published in the foreign press at the end of December to the effect that some 50 or 60 Nazis had been accused of conspiring with the Opposition and placed under arrest. This report was declared in official circles to have been greatly exaggerated, but it appeared to be true that Herr Forster had not been able to give his undivided attention to the campaign against the Opposition, but had also had to cope with threats of revolt from his own followers.

restricting the liberty of their opponents. These decrees made it possible for the Senate to confer the rights possessed by the police upon any person or organization, and empowered the police or their substitutes to extend the period of preventive detention still further and to conduct domiciliary visits at any time within the territory of the Free City.

The series of measures against the Opposition in Danzig which were taken between the beginning of October 1936 and the middle of January 1937 do not appear to have been made the subject of any representations by the Polish Government, who did not find, however, that their acquiescence in the Nazis' campaign sufficed to smooth the path for the negotiations which they had undertaken to conduct. After a preliminary interview with Herr Greiser, on the 6th October, Monsieur Papee had gone to Warsaw, where the programme that was to be followed was discussed. By this time the Polish Government were finding considerable cause for concern in the reports which were reaching them of a renewal of anti-Polish activities in the Free City. There were complaints that fresh obstacles were being put in the way of Polish commercial houses; that a Polish professional organization had been dissolved; and that Polish historical monuments were being destroyed. Monsieur Papee had returned to Danzig by the 24th October, and on that day he presented Herr Greiser with a memorandum in which were set out the Polish Government's views on the present situation and on the problem of Danzig's future. This document appears, *inter alia*, to have drawn attention to the complaints of Polish citizens that their rights were being infringed, and to have formulated a demand for those additional guarantees of Polish interests which the Polish Government had indicated their intention of putting forward. The Danzig Nazis, in the first flush of their victory over the League Council, were in no mood either to relax their pressure upon the Poles in the Free City or to meet Polish wishes in the matter of further guarantees. On the 26th October it was announced that Herr Greiser was leaving Danzig for a long stay at a German spa which was necessitated by the state of his health; and although the report that he was about to be superseded to which this announcement naturally gave rise turned out to be unfounded, his absence from the Free City for some six weeks not only involved a delay in the negotiations with Poland but also left Herr Forster with a free hand—of which the Poles in Danzig as well as members of Opposition parties felt the weight.

By the beginning of November 1936 the tension between Danzig

and Poland was said to be greater than it had been at any time since the Nazis came into power. The Polish press was publishing news of the imprisonment of Polish citizens and the suspension of Polish newspapers in the Free City; and anti-German feeling in Poland, which was already running high, reached fever-heat on the circulation of a report of a serious assault upon persons of Polish nationality in a village in the territory of the Free City.[1] Even the Polish official press, which was generally careful to avoid giving any offence to Nazi susceptibilities, declared that the nation was united in demanding satisfaction for this and other incidents. At the end of the first week of November fresh cause for complaint was given by the issue of a decree for the unification of all the Labour Exchanges in the Free City. The members of the Polish minority, who had hitherto had their own Labour Exchange, had good reason to fear the effects of an arrangement which would place in Nazi hands the power of giving or withholding labour permits to Polish citizens. The protests which Monsieur Papee addressed to the Senate were met by counter-protests against the tone of the Polish press and against an anti-German demonstration in Gdynia, and it was repeatedly alleged that in the incidents in which Polish citizens were involved the provocation came from the Polish side—as, for instance, on one occasion when Polish nationals were said to have been discovered in the act of destroying Nazi flags and emblems.

In the middle of November the Polish Government decided upon the course of a direct approach to Berlin, and this had the desired effect. The recent visit of Colonel Beck to London,[2] following on the reaffirmation of Franco-Polish friendship,[3] lent point to the inquiry, which the Polish Government were said to have made through diplomatic channels, whether the German Government still attached importance to the maintenance of good relations with Poland. The German Ambassador to Poland, Herr von Moltke, had interviews with Herr Hitler in Berlin on the 17th November and with Colonel Beck in Warsaw on the following day. During the next few days the Polish official press adopted a conciliatory tone towards Danzig, and 'responsible quarters' in Warsaw were said to be confident that nothing more would be done to exacerbate the situation while negotiations for a permanent settlement of the Danzig problem were in train. On the 25th November the Danzig Senate delivered an interim reply to the Polish memorandum of the 24th October,

[1] The German version of this incident admitted that the persons attacked had Polish names, but denied that they belonged to the Polish minority.

[2] See pp. 368, footnote, 401, above. [3] See pp. 397–9, above.

promising that conversations on the subject of the relations between Danzig and the League should begin as soon as Herr Greiser returned from his sojourn at a German health resort. Herr Greiser was back in Danzig by the end of the first week in December; he saw Monsieur Papee on the 9th December and the negotiations were begun without further delay. At the beginning of the New Year Monsieur Papee's place as Polish negotiator was taken by Monsieur Chodacki —an ex-military *attaché* who was in close touch with the Polish military authorities and who had recently been acting as *chargé d'affaires* at Prague. The appointment of Monsieur Papee to the post of Minister to Czechoslovakia had been announced on the 20th November (simultaneously with the relaxation of German-Polish tension) and the selection of Monsieur Chodacki to succeed him at Danzig had been made public shortly afterwards.

The Danzig-Polish conversations were concluded on the 10th January, 1937, when it was announced in Warsaw that 'positive results' had been achieved. The nature of these results was not made known officially, but it was believed that the Danzig Government had given an assurance that the territorial status of the Free City would be respected, and had agreed that the League of Nations should continue to be represented by a High Commissioner, in return for a Polish acceptance of the Danzig demand that the High Commissioner should be instructed not to intervene in internal matters. The question of guarantees for Polish interests does not appear to have been dealt with in these conversations, but on the 19th January the Senate gave the Polish Government a formal assurance that their interests would be respected,[1] and it was understood that the questions at issue would be dealt with by direct negotiation after the League Council had taken its decision on the Polish Government's recommendations.

Colonel Beck waited until he had consulted the Committee of Three before casting his report to the Council into its final form. The ninety-sixth meeting of the Council began on the 21st January, 1937, and Colonel Beck broke his journey to Geneva in Berlin,

[1] On the 5th January, 1937, an agreement had been concluded, after long negotiation, for the prolongation until the end of 1939, with certain modifications, of the Danzig-Polish agreement of the 18th September, 1933, regarding the utilization of the port of Danzig (see the *Survey for 1935*, vol. i, p. 221). The Polish Government were reported to have made concessions to Danzig wishes (for instance, they agreed that import permits in future should not stipulate the port of entry, but should be valid for either Danzig or Gdynia), while the Danzig Senate were said to have promised once again that Polish firms should receive equal treatment and should enjoy complete freedom to carry on their activities.

where he had an interview with the German Foreign Minister at which the latter was said to have intimated that his Government were satisfied with the arrangement that had been reached provisionally between Danzig and Poland. On his arrival at Geneva Colonel Beck found that the members of the Committee of Three were less ready to set the seal of their approval upon the solution which he proposed (even though, as has been suggested,[1] it was difficult to see what other solution they could have expected the Polish Government to produce). According to press reports, Monsieur Delbos and Mr. Eden would have preferred a decision not to appoint a High Commissioner to succeed Mr. Lester, on the ground that the League's prestige would suffer less from a clean cut than from the maintenance of a semblance of authority when authority could not in fact be exercised; but they yielded on this point to the representations of Colonel Beck, whose Government considered, apparently, that a High Commissioner could still serve a useful purpose in connexion with the protection of Polish interests. There was also a feeling that the presence of a League representative, even if his functions were restricted, might have a slightly restraining effect upon the Nazis and thus make conditions for the Opposition less intolerable than they would be if the High Commissioner were to be withdrawn altogether. The discussions between Colonel Beck and the Committee of Three on the 21st–26th January appear to have turned principally upon the question of defining the functions of the High Commissioner in a manner which would be acceptable to the Danzig Senate and yet would not tie the hands of Mr. Lester's successor too tightly. Herr Greiser (whose intention of attending the Council meeting had been announced soon after the conclusion of the Danzig-Polish conversations—an indication that the arrangement to which the Polish Government had consented satisfied Nazi desiderata) was called into consultation, and a formula was finally found to which all parties could agree—though the Committee of Three accepted it with hesitation and reluctance. On the 26th January Colonel Beck completed his report, and this was laid before the Council, together with a report from the Committee of Three, on the 27th January.

The Polish Government's report[2] on the execution of the mandate entrusted to them by the Council on the 5th October, 1936, declared that the Council's instructions had been 'carried out ... in a wholly

[1] See pp. 561–2, above.

[2] Text in *League of Nations Official Journal*, February 1937, pp. 241–2, and in *Documents on International Affairs, 1936*, pp. 446–8.

impartial manner, taking into account all the political circumstances'. In the course of the negotiations, the Polish Government had 'emphasized the necessity for respecting the Statute of the Free City and the competence of the High Commissioner', and in response to their representations the Senate had made the following declaration:

> After the conversations which it has had with the Polish Government concerning the mandate entrusted to the latter by the League Council on the 5th October, 1936, the Senate of the Free City of Danzig declares that the Free City bases its relations with the High Commissioner on the legal statute in force.

This declaration and 'the assurances given to the Polish negotiators by the Danzig representatives in the course of the negotiations' led the Polish Government to hope that 'the difficulties experienced by the High Commissioner in the exercise of his functions' would 'not arise in future'. Colonel Beck went on, however, to express the opinion that

> from a practical standpoint, the High Commissioner, in the performance of his duties laid down in the Statute, should take care to see that the internal administration of the Free City of Danzig is not hampered. This should be the less difficult for him if it is borne in mind that a differentiation between the sources of information on which the High Commissioner bases his action is not only possible but even desirable. In this connection, the information furnished by the Senate should be given the place corresponding to the latter's authority as the Government of the Free City of Danzig.

This recommendation that the High Commissioner should not question the Senate's actions and statements, taken in conjunction with the existence of legislation which made it an offence for citizens of Danzig to complain to the High Commissioner,[1] was clearly intended to put an effective end to the intervention in the Free City's internal affairs which had brought about the strained relations between Mr. Lester and the Senate.

The Polish Government concluded their report by expressing the belief that the solution which they suggested would 'prove effective, provided that the Senate acts in accordance with its own declaration', and by reminding the Council that its responsibility as guarantor of the Constitution imposed upon it 'the duty of following the development of the situation', in order to see whether the difficulties that had arisen in the relations between the League and the Senate had in fact been removed.

[1] See p. 556, above.

The note of doubt which could be discerned in the concluding paragraph of Colonel Beck's report was much more clearly marked in the report[1] of the Committee of Three which Mr. Eden presented to the Council on the 27th January. It was admitted to be 'not without grave preoccupation' that the Committee recommended to the Council 'the adoption of the present report and the appointment of a new High Commissioner'. In reaching its decision the Committee had been influenced by two considerations: first,

> that the information which it has received from the Polish representative and the assurances that have been given to him on behalf of the Senate offer sufficient grounds for expecting that the political tension in the Free City will now be lessened and that conditions will be established in which a High Commissioner will be better able to discharge his functions;

and, second,

> that the guarantee by the League of the Constitution of the Free City is part of a complex political structure, to the disturbance of which the Council will certainly wish to avoid contributing so long as possible.

The Committee's comments on the passage in Colonel Beck's report which dealt with the relations between the Senate and the High Commissioner showed anxiety to avoid the appearance of restricting the High Commissioner's freedom of judgment.

> The Committee considers that the principles laid down in the report from our Polish colleague are to be understood in the sense that the High Commissioner's right to ask for information from the Senate and the Senate's duty to furnish the information asked for, remain unquestioned.[2] It is for the High Commissioner to decide, on the basis of whatsoever information may be available to him, as to the questions, if any, in regard to which he will ask for explanations from the Senate, and thereafter to decide himself whether or not it is advisable for him to make a report to the Council.

This affirmation that the High Commissioner was free to obtain his information from any available source was, however, qualified by the recommendation that he should not 'fail to take account of the terms of the Polish representative's report'. Moreover, there was no suggestion in the report that the Senate should be asked to amend the legislation which did in fact make it virtually impossible for the High Commissioner to obtain information from any but official sources.

[1] Text in *League of Nations Official Journal*, February 1937, pp. 112–13, and in *Documents on International Affairs, 1936*, pp. 448–51.

[2] This was a reference to the Senate's treatment of Mr. Lester's request for its views on the decrees of the 16th July, 1936. It has been mentioned (on p. 557, above) that two notes from Mr. Lester on this subject had remained unanswered.

The Committee proposed one innovation in the procedure, on the suggestion of Mr. Lester. This was that the responsibility for asking that questions concerning Danzig should be placed on the agenda of the Council should rest henceforward upon the Committee of Three and not upon the High Commissioner. The report laid stress, as Colonel Beck had done, on the fact that it depended upon the manner in which the Senate carried out its undertakings whether future difficulties would be avoided or not; and it concluded by recommending that the new High Commissioner, as soon as he had been able to form a definite opinion of the situation on the spot, should 'let the Council know under what practical conditions he thinks he can carry out his functions, taking the present report into account'.

This report was adopted without any discussion by the members of the Council, after short speeches had been made by Mr. Lester and by Herr Greiser. The tone of the latter's remarks was very different from that of his last speech to the Council.[1] He expressed gratitude for the 'fairness and tact' with which the Polish Government had carried out their mission and he also thanked Mr. Eden 'for the understanding with which he had discharged his difficult task'. Herr Greiser hoped that with the adoption of the report 'tension would be finally brought to an end', and he declared that 'the satisfactory principles on which the report was based would undoubtedly enable him to co-operate whole-heartedly with the new High Commissioner to be appointed by the League'.

Herr Greiser's approval of the Committee of Three's report was sufficient evidence that the Council's decision of the 27th January, 1937, however diplomatic the language in which it was wrapped up, meant in practice the renunciation by the League of Nations of its right to intervene on behalf of the Opposition in Danzig, whose fate was thereby finally sealed.[2] The Council had, in fact, after a lapse of six months, adopted the first of the alternative suggestions for regulating the relations between the Free City and the League which Herr Greiser had propounded at the Council meeting on the 4th July, 1936.[3]

[1] See pp. 548–50, 551–2, above.

[2] On the 1st February, 1937, Mr. Eden was asked in the House of Commons at Westminster whether the new High Commissioner at Danzig would have the same powers and duties as his predecessor in respect of the protection of minorities. His reply was studiously non-committal, and while he deprecated the assumption that the League had surrendered the duty of protecting minorities, he refused to give an assurance that there had been no change in the Council's attitude on the matter.

[3] See p. 549, above.

The next step that had to be taken was the appointment of a new High Commissioner to replace Mr. Lester, who had remained in nominal occupation of the post during the last four months but who had been relieved of much of his responsibility by the Council's mandate to the Polish Government, and had been left by the actions and attitude of the Senate with practically no duties to perform. On the 27th January Mr. Eden told the Council that the Committee of Three had approached Admiral de Graaf (who had until recently acted as Chief of the Naval Staff in the Netherlands), and that there was 'every hope' that the Admiral would accept an official invitation to act as the League's representative at Danzig. In order to provide for the contingency of his refusal, however, the Council agreed to leave the appointment in the hands of its President (Dr. V. K. Wellington Koo, of China), acting in consultation with the Committee of Three and the Polish representative. On the 28th January it was announced that Admiral de Graaf had refused the invitation which had been proffered to him.[1] It was not until the middle of February that the Committee of Three was able to find another candidate who was willing and able to undertake the task and who was also acceptable to the Senate at Danzig. The choice fell on a Swiss national, Professor Karl Burckhardt of the University of Zurich. Professor Burckhardt had formerly been in the Swiss diplomatic service; he had strong cultural links with Germany; and he had given proofs that he had at any rate no special prejudice against National Socialism,[2] although there was no reason to believe that he had any bias in favour of it. The new High Commissioner's appointment dated from the 18th February, 1937, and he arrived in Danzig to take up his duties on the 1st March, 1937. He visited Warsaw a few days later in order to establish contact with Polish official circles; but apparently he had not had time to form an opinion on the situation in Danzig before the League Council met for its ninety-seventh session on the 24th May. At all events, no report from him on the manner in which he conceived it possible to carry out his functions figured on the agenda of the Council for that session.[3]

[1] It was generally assumed that Admiral de Graaf's refusal was at the instance of his Government, but this was formally denied.

[2] When Dr. Goebbels had attended the League Assembly in September 1933, accompanied by a Nazi bodyguard, and had been the subject of something like an unofficial boycott, Professor Burckhardt had given a reception for him.

[3] Professor Burckhardt did, however, visit Geneva while the Council was in session. According to press reports he was meeting with some difficulties in his relations with the Senate, which showed a tendency to keep him at a distance, and with overt opposition from Herr Forster. He was therefore anxious to discuss his future policy with the Committee of Three.

Meanwhile the Nazis in the Free City had been making unimpeded progress with their campaign of *Gleichschaltung*, and in the middle of May 1937 they succeeded in attaining the long coveted two-thirds majority in the Volkstag which was legally necessary in order to enable them to amend the Constitution—a process to which they still apparently attached importance, even though their actions might have led foreign observers to suppose that they had come long since to regard the provisions of the Constitution of the Free City as a series of scraps of paper to be torn up at their convenience. Early in February the arrest of Dr. Stachnik, the leader of the Centre Party, had sent the only head of an Opposition political party who had still been at large to join the rest in prison (though Herr Blavier, the German Nationalist leader, was released about a week later, after he had resigned his seat in the Diet). On the 9th February a decree was issued changing the electoral law and laying it down that any deputy who was unable to fulfil his duties or 'co-operate with other members of the Volkstag' could be deprived of his mandate by a decision of the Electoral Committee. A number of deputies were already in prison (in spite of the immunity from arrest which they were supposed to enjoy) and were therefore unable to attend a session of the Volkstag, and it would be a simple matter to make as many more arrests as were needed to reduce the number of Opposition deputies to one-third of the whole—the assumption being, of course, that the new holders of the mandates would be Nazis or would be prepared to co-operate with the Nazis. A combination of this method with the exercise of pressure upon members of the Opposition to change their political views[1] soon produced the desired result. At a meeting of the Volkstag, on the 5th May, the Enabling Act of 1933[2] was prolonged for another four years by 47 votes to 20, but the number of affirmative votes on this occasion still fell short of two-thirds of the total membership of 72. On the 8th May, however, three more members of the Opposition were 'persuaded' to join the Nazi ranks, and therewith the victory was complete. It was understood that amendments to the Constitution, transforming Danzig into a one-party totalitarian state, had already been prepared, but their introduction was postponed pending the result of a final effort to obtain 'voluntary unification'. On the 12th May Herr Forster announced that the German Nationalist

[1] At the beginning of May 1937 the French press published a message from a former Socialist deputy who had resigned his seat in the Volkstag after he had been compelled by pressure from the police to declare his adhesion to the National-Socialist Party.

[2] See the *Survey for 1935*, vol. i, p. 230.

Party had 'voluntarily' dissolved itself, and expressed the hope that the 'remnants of the party system' (i.e., the Centre Party, which was now the solitary survivor of the organized Opposition parties)[1] would soon follow suit. The Centre Party, however, seems to have stood out against all the Nazi persuasions, for on the 16th May Herr Forster was reported to have said that the party would shortly be dissolved, and that amendments to the Constitution would be introduced into the Volkstag. These final steps had not yet been taken at the time of writing.

Meanwhile the negotiations between Danzig and Poland had not been making much progress. At the end of February 1937 General Göring and Herr Greiser met at one of the periodical official hunting parties which were arranged by the Polish Government in the Forest of Bialowieza. There had been rumours that Colonel Beck would also form one of the party and that the future of Danzig-Polish relations would in all probability be decided in unofficial conversations, but the Polish Foreign Minister did not go to Bialowieza. Herr Greiser spent some hours in Warsaw on his way back to Danzig, and it was presumed that the question of Polish rights in the Free City was discussed on this occasion. The opening of the formal negotiations on this subject was still postponed, however, and at the end of March the dissatisfaction of the Polish Government was revealed in an official *communiqué* which complained that discrimination against Poles in the Free City was still going on, reminded the Senate of the assurance which they had given on the 19th January,[2] and declared that it was the opinion of responsible quarters in Poland that the establishment of the totalitarian system in Danzig might lead to a curtailment of Polish rights. It looked almost as though the Polish Government were becoming convinced, now that it was too late, that their acquiescence in the methods by which the Nazis had been gradually consolidating their hold over the Free City had been a short-sighted policy even from the point of view of purely Polish interests. This Polish protest apparently produced no immediate effect, and it was not until the 21st May that negotiations on the question of Polish rights and interests in the Free City were officially announced to have begun. At the time of writing these negotiations had not yet led to any result.

[1] The ten members of the Centre Party were among the deputies who voted against the Bill for prolonging the Enabling Act on the 5th May, 1937.

[2] See p. 567, above.

(vii) Relations between Germany and Italy

Between the 14th April, 1935, which was the date of the publication of the Anglo-Franco-Italian joint resolution at Stresa,[1] and the 1st November, 1936, which was the date on which the establishment of the 'Berlin-Rome axis' was proclaimed by Signor Mussolini in a speech at Milan,[2] the relations between the four Great Powers of Central and Western Europe underwent a complete, though not necessarily a permanent, transformation. A three-Power combination against Germany was replaced by an alignment in which a German-Italian and an Anglo-French *entente* confronted one another two by two—with Russia now coming more prominently into the picture as the Central Powers' official bugbear and the Western Powers' unofficial and not yet altogether welcome associate. In retrospect, it could be seen that this profound change in the disposition of forces on the European arena was the consequence of the Italo-Abyssinian conflict; for the quarrel between Italy and Great Britain over Italy's breach of the Covenant of the League of Nations had broken the Stresa Front, while Italy's triple triumph over Abyssinia and the League and Great Britain had moved the German Government to commit themselves to collaboration with the victor. The second stage in this process was not, however, either immediately consecutive to, or necessarily consequent upon, the first. The Italo-German *rapprochement* was separated in time from the Anglo-Italian rupture by the whole duration of the conflict between Italy on the one hand and Abyssinia, the League and Great Britain on the other; and, if the outcome of the conflict had been different from what it was, the result might have been a new combination of three Powers against one, with Italy replacing Germany in the invidious rôle of the solitary outlaw. While the outbreak of the quarrel between Italy and Great Britain in the autumn of 1935 was a sudden event, the fall in the temperature of Italo-French relations and rise in the temperature of Italo-German relations were both of them gradual processes. France continued to play Italy's game over the Italo-Abyssinian conflict, in the hope of saving the fruits of the Italo-French reconciliation of the 7th January, 1935,[3] down to the eve of the consummation of an Italo-German *entente* which demonstrated that France had demeaned herself all in vain; and Germany continued to maintain her attitude of studied neutrality towards the Italo-Abyssinian conflict until the morrow of Italy's triumph.

[1] See the *Survey for 1935*, vol. i, pp. 159–61.
[2] For the Hungarian origin of this phrase, see p. 447, footnote 1, above.
[3] See the *Survey for 1935*, vol. i, Part I, section (v).

This German attitude has been analysed in another context in a foregoing volume;[1] and it has been suggested there that the 'correctness' of Germany's behaviour at that stage—a posture which agreeably surprised the statesmen at Geneva—was dictated by other considerations than a regard for the League which was assuredly foreign to the mind of the Nazis. On the one hand Germany might hope to secure a settlement in her own favour of the issues between herself and Italy in regard to Austria in particular and to South-Eastern Europe in general as a result of Italy's preoccupation with her African adventure; and German statesmanship was therefore in no haste to come to Italy's rescue. On the other hand Germany's hostility towards the collective system of international relations was not so fierce as to tempt her to stake her fortunes in an attempt to destroy it by throwing her weight into the Italian scale when it was still uncertain which way the scales would incline. At this stage the Germans were by no means sure that the trial of strength between the League and Italy would not end in a victory for Geneva, and they had no desire to commit themselves before the outcome became clear. They could afford to play a waiting game in the pleasurable certainty that, whatever the event, it was bound to produce one or other of two results, of which either would be welcome to the rulers of 'the Third Reich'. Either Italy would be discomfited, and then the Italian obstacle to Germany's ambitions in South-Eastern Europe would be weakened and might even altogether fall away; or else the League would be discomfited, and then Germany would be free to pursue her own ambitions on all fronts without being hindered any longer by the trammels of collective security.

We have now to trace the process by which German policy shifted from this 'correct' and non-committal position, which was its posture in the autumn of 1935, to the very different position which it had taken up twelve months later, when Herr Hitler had officially recognized the Italian conquest of Abyssinia, had accepted a German-Italian *entente* as the basis of Germany's foreign policy, and had begun to translate words into acts by working hand-in-glove with Signor Mussolini in Spain in support of the Spanish insurgents.

The first clear symptoms of a *rapprochement* between Germany and Italy were manifested in February 1936, when France was on the point of ratifying the Franco-Soviet Pact which had been signed on the 2nd May, 1935.[2] By the middle of the month, distaste for this

[1] See the *Survey for 1935*, vol. ii, pp. 90–2.

[2] See the *Survey for 1935*, vol. i, Part I, section (iv), and the present volume, section (i) (*a*) of this part.

instrument was being expressed in the Italian as well as in the German press. On the 18th the German Ambassador in Rome, Herr von Hassell, left for Berlin, after an interview with Signor Mussolini, to see Herr Hitler; and, upon his return, he was received by Signor Mussolini again on the 24th. On the 25th there was a rumour in Rome that Italy was intending to join with Germany in a denunciation of the Locarno Pact as a means of exercising pressure upon the sanctionist West-European Powers. On the 27th February, in Paris, a vote in favour of the ratification of the Franco-Soviet Pact was passed by the Chamber. On the 7th March the German Army reoccupied the Rhineland; and this act, which was Herr Hitler's retort to the consummation of the *rapprochement* between France and Russia, carried Germany a long, and perhaps a decisive, distance down a road which led towards a German-Italian *entente*.

The ratification of the Franco-Soviet Pact appears to have made Herr Hitler feel that he must concentrate all his efforts upon parrying this attempt (as he regarded it) at a fresh 'encirclement' of Germany. The technical, as distinct from the political, purpose of his military reoccupation of the Rhineland was to make it difficult for France to give effective military help to Russia and Czechoslovakia in the event of a war between Germany and these two East-European countries. The next most obvious means of strengthening himself would be to win Italy over to his side; and his *coup* in the Rhineland was calculated to serve him well for this purpose too, for Herr Hitler's westward stroke was welcome to Signor Mussolini both for a negative and for a positive reason. Negatively, it was tantamount to a guarantee that Herr Hitler would not now take advantage of Italy's temporary embarrassments in Africa and at Geneva in order to strike a blow at the rather tenuous ligatures of the Italo-Austro-Hungarian group, while on the positive side this formidable German stroke against the West-European Powers who were the leaders of the anti-Italian sanctionist front promised to demoralize completely their never very resolute leadership of the collective resistance to Italian aggression in Ethiopia. The immediate slackening of the collective pressure upon Italy under the influence of the shock which Herr Hitler's *coup* had given to British as well as to French nerves, was a demonstration that Italy as well as Germany stood to gain appreciably from a policy of collaboration between the two Central Powers. And, in the feverish negotiations which ensued,[1] Italian diplomacy played its hand skilfully.

As far as formalities went, Italy consented to co-operate with the

[1] See section (i) of this part of the present volume.

West-European Locarno Powers sufficiently to underline the fact that they were eager to treat her as a pillar of international society once again, and no longer as an outlaw, as soon as this moral *volte face* was demanded by vital national interests of their own. Italy explicitly refrained from repudiating her Locarno obligations (an exhibition of 'correctness' which cost her nothing in the circumstances); but at the same time she took up the position that she could not reasonably be expected to co-operate with the West-European Locarno Powers in practice, for the vindication of the Rhineland Pact, so long as these very Powers, so far from co-operating with Italy, were subjecting her to economic sanctions. Italy was represented at the successive meetings of the Locarno Powers, other than Germany, which were held in Paris on the 10th March, in London on the 12th–19th March, and at Geneva on the 10th April,[1] and she allowed her name to appear, along with the names of Belgium, France and Great Britain, in the *communiqué* concerning the last of these three meetings which was published on the 11th April; but this was subject to the declaration which had been recited by Baron Aloisi to his colleagues at the first sitting on the 10th April and which is quoted in another chapter of this volume.[2] Again, in answer to an invitation from the Belgian Government to attend another conference of the Locarno Powers at Brussels,[3] the Italian Government replied, according to an official announcement made in Rome on the 11th July, that, in their opinion, it was necessary to invite Germany also to be represented at the preparatory stage of this Locarno meeting, on the ground that the situation would be complicated rather than clarified by the absence of one of the parties to the Locarno (Rhineland) Treaty. When the three other Locarno Powers, at a meeting in London on the 23rd July,[4] duly acted on this Italian suggestion by inviting both Italy and Germany to attend a five-Power meeting, the Italian and German replies were delivered on the 31st July almost simultaneously, and although they were not identical in form—the Italian reply being drafted as a guarded acceptance and the German as a veiled refusal[5]—they came to much the same thing in effect, and there was no reason to doubt the report that they had been drawn up in consultation.

The rest of the story of the Locarno negotiations is recounted in this volume in another place;[6] for the purpose of the present context, the Italian attitude to this West-European affair has now perhaps

[1] See pp. 282–4, 284–5, 287 *seqq.*, 332–4, above.
[2] See p. 333, footnote 1, above.
[3] See p. 347, above.
[4] See pp. 348–50, above.
[5] See pp. 360–1, above.
[6] In section (i) of this part.

been described in sufficient detail to show that it was distinctly conducive to an Italo-German *rapprochement*; and in fact the main obstacle in the way of this had already been removed before the Locarno negotiations petered out. On the 11th July, 1936, an Austro-German agreement was signed, as has been recorded in a previous chapter;[1] and in a speech delivered at Milan on the 1st November Signor Mussolini declared that the terms of this Austro-German agreement had been known to, and approved by, him as early as the 5th June.[2] Thus, less than three months after the *coup* of the 7th March, 1936, Herr Hitler, with his victory gained in the Rhineland and his hands full with the arduous diplomatic task of pacifying the Western Powers, offered terms to Dr. von Schuschnigg which were acceptable to Signor Mussolini. And this date, half-way through the calendar year, may be taken as the moment when the Italo-German *rapprochement* became practical politics.

This new turn in the relations between Germany and Italy was also heralded, after the German *coup* of the 7th March, 1936, in the Rhineland, by one of those series of lively exchanges of visits which, in the international intercourse of the period, were a familiar outward and visible sign of a mutual desire to establish a political *entente*.

For example, at Rome on the 16th March Signor Mussolini received a party of German students who had been studying in Italy. And on the 2nd April Dr. Frank, the Reich Minister for Justice, visited Rome, where on the 3rd he delivered a lecture on legislation and the administration of justice under the National-Socialist dispensation. This prominent German visitor was given a brilliant reception by his Italian hosts. On the 30th April, at Berlin, the Italian Minister for Agriculture, Signor Rossoni, had an interview with Herr Hitler before delivering to a distinguished German audience a lecture on the political and moral aspects of the new corporative economy. In June (the month in which the proposed Austro-German agreement was under consideration at Rome as well as at Vienna and at Berlin) the Countess Ciano spent four weeks in the capital of the Reich and was the guest of honour at a reception given on the 17th by Herr Hitler at the Reichskanzlei. A visit of this length was significant when paid by a visitor who was the daughter of Signor Mussolini and the wife of a newly appointed Italian Minister for Foreign Affairs. Before the 15th of the same

[1] See section (iv) (*a*) (4) of this part.

[2] It is probable that Signor Mussolini was already looking forward to an *entente* with Germany when, in the middle of May, he refrained from taking any steps to prevent the fall of Prince Starhemberg, the leader of the Austrian Heimwehr (see pp. 429–33, above.)

month the German Ambassador to the Quirinal, Herr von Hassell, had once more revisited Berlin to report to Herr Hitler—before seeing Count Ciano in Rome on the 19th, after his return—and he was followed by General Valle, the Italian Under-Secretary of State for Air and Chief of Staff of the Italian Air Force, who arrived in Berlin from Rome by air on the 24th June and left on the 28th after having set his signature on the 26th to an Italo-German civil aviation agreement with a currency of ten years' duration. In Rome, on the 27th June, a set of commercial clearing agreements was signed by Count Ciano, the Austrian Ambassador and the German Minister. Count Volpi, the President of the Italian Federation of Industrialists, was in Berlin for four or five days in the middle of July conferring with Dr. Schacht; and simultaneously a German military mission visited Rome. On the 25th July Herr von Hassell called on Count Ciano and informed him that the German Government had decided to abolish the German Legation at Addis Ababa and replace it by a Consulate-General.

On the 31st July the Prince of Piedmont arrived in Berlin to be a spectator of the Olympic Games and was received next day by Herr Hitler; and the Italian Minister for Propaganda, Signor Alfieri, visited Berlin at the same time for the same purpose. On the 7th August, in Berlin, a party of 500 Italian students was received by Herr Baldur von Schirach, and a week later a party of officers and men from the Italian cruiser *Gorizia* was fêted at Kiel and then taken, in order to see the Games, to Berlin. On the 29th–31st August Dr. Goebbels paid a week-end visit by air to Venice, where he was entertained by Signor Alfieri. In the latter part of September a party of 500 Italians visited Germany, while a counter-party of 500 Hitler Youth, led by Herr Baldur von Schirach, visited Italy. At Rome on the 23rd these young German visitors marched past Signor Mussolini, who made them a speech. Dr. Frank, who was once again in Italy, was present on this occasion in Rome, after having visited Count Ciano at Viareggio on the 20th. At the end of September Signor Alfieri paid another visit to Berlin. On the 15th–21st October the German Under-Secretary of State for Air, General Milch, returned the visit which his 'opposite number', General Valle, had paid to Berlin in June; and on the 18th October the German visitor was received in Rome by Signor Mussolini, while in the same city on the 20th Signor Mussolini received Herr Himmler, the Chief of the German Police, who had arrived on the 19th (Herr Himmler's two deputies, General Daluege and Herr Heydrich, had preceded him, and had been received by the Duce at the same time as General

Milch). On the 26th October Signor Mussolini received the members of a German industrial mission; and on the same day a delegation of the Auslandsorganisation of the German National-Socialist Party, headed by Gauleiter Bohle, arrived at Venice.

The visits chronicled in the preceding paragraphs were manifestly of unequal importance, and they were chiefly remarkable for their frequency. There could be no doubt, however, about the importance of the visit which Count Ciano paid to Germany in the fourth week of October 1936, some two months after his wife had prepared the ground.

On the 19th Count Ciano left Rome for Berlin with the mission (it was said in Rome) of bringing about a 'co-ordination of the policies of the Italian and German Governments'; and in Berlin at the same moment it was suggested that the closer understanding between Germany and Italy, in which Count Ciano's coming conversations with German statesmen were expected to result, would be concerned with four principal topics: first, the proposed five-Power conference for working out a substitute for the Locarno (Rhineland) Pact;[1] second, Central and South-Eastern Europe, with particular reference to Austria; third, the League of Nations; and, fourth, the situation in Spain. Count Ciano arrived in Berlin on the 20th October and left again on the 23rd after having had three conversations with Herr von Neurath. On the 24th he visited Herr Hitler at Berchtesgaden; and the Reichskanzler took this opportunity to inform the Italian Minister for Foreign Affairs that the German Government had decided to recognize the Italian Empire of Ethiopia. At the same place, on the same date, a law abolishing the German Legation at Addis Ababa and replacing it by a Consulate-General was signed by Herr Hitler and by Herr von Neurath. The 'final *communiqué*' which was issued in Berlin on the 25th was, however, no more informative than was usual in documents of this *genre* on the question of what the conversations had actually been concerned with or what conclusions and decisions, if any, had been reached; and the vacuum was not filled by the more lively statement which was recited on the same day to representatives of the press by Count Ciano at Munich. It was, however, by this time being made manifest by the march of events that two Powers which had been finding it difficult to adjust the divergence between their interests and ambitions in the Danube Basin were now being drawn together by an identity of views in regard to Spain.[2] And the new Italo-German *entente* was proclaimed

[1] See section (i) (*k*) of this part.

[2] The international transactions arising out of the civil war in Spain will be dealt with in the *Survey for 1937*.

to be a fact of outstanding importance by no less an authority than Signor Mussolini himself in a speech which he delivered at Milan on the 1st November:[1]

> A great country during these last few days has earned extensive sympathy from the masses of the Italian people. I allude to Germany. The meetings at Berlin resulted in an agreement between the two countries on certain questions, some of which are particularly interesting in these days. But these agreements that have been included in special statements and duly signed, this vertical line between Rome and Berlin, is not a partition but rather an axis round which all European states animated by the will to collaboration and peace can also collaborate.
>
> Germany, although surrounded and solicited, did not adhere to sanctions.
>
> With the agreement of the 11th July an element of dissension between Berlin and Rome disappeared, and I may remind you that, even before the Berlin meeting, Germany had practically recognized the empire of Rome.

This Mussolinian eulogy of the Italo-German agreement of the 24th October, 1936, was enhanced by the disparagement, in an earlier passage of the same speech, of the results of the Italo-French agreement of the 7th January, 1935.

> After seventeen years of polemics, friction, misunderstandings, and of questions left in abeyance, in January 1935 agreements with France were concluded. These agreements could and should have opened up a new era of really friendly relations between the two countries. But sanctions intervened. That, of course, was the first touch of frost on our friendship. We were on the threshold of winter. Winter passed and spring came and with spring our triumphant victories. Sanctions continued to be applied with a truly meticulous rigour. We had been in Addis Ababa for at least two months and still sanctions continued. A classic example of the letter that kills the spirit, of formalism strangling the living, concrete reality of existence. France to-day still holds her finger pointing to the age-yellowed archives of Geneva, and says:
>
> 'The empire of the very much *ci-devant* Lion of Judah is still alive.'

A comparison of these two passages gives the measure both of the failure of Monsieur Laval's foreign policy and of the transformation of the international situation in Europe within less than two years from the date of the French Prime Minister's momentous meeting with the Italian dictator.

The reality of the Italo-German *entente* was outwardly symbolized by a continuation of the series of exchanges of visits. On the 10th November, 1936, for example, at Frankfurt am Main, Dr. Racheli, who was the President of the Italian Confederation of Commerce and the Italian Committee for the Economic Development of Abyssinia,

[1] The text will be found in *Documents on International Affairs, 1936*, pp. 343–7.

made a speech to the Italo-German Chamber of Commerce in favour of Italo-German economic co-operation in Ethiopia. In the course of the same month a German press delegation paid a twelve-days' visit to Rome; and on the 11th December the Duke of Aosta arrived in Berlin and was there received on the 18th by Herr Hitler. At Rome on the 15th December, 1936, Count Ciano declared in an interview with a representative of the *Völkischer Beobachter* who had just arrived from Spain:

> A year ago to-day I was called home by the Duce from Africa. Much has happened in the meantime! My cherished plan of a close association with Germany has come true. I heartily rejoice that it was reserved for me, as Italian Minister for Foreign Affairs, to have the opportunity of laying the coping stone on this momentous change in the political constellation of Europe.[1]

[1] *Völkischer Beobachter*, 29th December, 1937.

PART IV

THE MEDITERRANEAN

(i) The Montreux Convention Regarding the Régime of the Black Sea Straits (20th July, 1936).

By D. A. Routh

(*a*) Introduction

The problem of the Straits is as old as written history. Like Proteus, it wears a new form at each appearance; and war, as Homer's *Iliad* and the cemeteries of Gallipoli bear witness, has been the normal means to its solution. At any time, therefore, a readjustment of it by peaceful means would be deserving of some record; but when, in April 1936, this old Proteus arose in the form of a rearmed and importunate Turkey clamouring for treaty revision at the hands of her former enemies, the occasion took on an interest far greater than its subject-matter merited, because of the light which it threw on another and more modern problem—the problem of peaceful change.

Paradoxically enough, the application by Turkey of the procedure of peaceful change, and the successful outcome of that application in the Montreux Convention, received a blessing from both advocates and opponents of the principle of treaty revision. Advocates of treaty revision welcomed it because, though not achieved specifically under the auspices of Article 19 of the Covenant,[1] it provided both a proof that the doctrine of *rebus sic stantibus* embodied in that article had not lapsed into oblivion and a precedent[2] for its future application. Opponents of treaty revision welcomed it because, coming at a time when a series of unilateral treaty repudiations, culminating at the beginning of March in the German reoccupation of the Rhineland[3] and at the end of May in the Italian annexation

[1] The use of Article 19 of the Covenant was avoided on this occasion for two reasons: firstly because it would involve reference to the Assembly of the League and therefore the possibility of needless complications arising from the intervention of Powers not directly concerned in the Straits Question; and secondly because one of the Powers directly concerned, namely Japan, was no longer a member of the League.

[2] For a full analysis of the value of the Montreux Convention as a precedent for treaty revision see an article by C. W. Jenks in *The New Commonwealth Quarterly*, September 1936.

[3] See the present volume, Part III, section (i).

of Abyssinia,[1] had seriously damaged the prestige of international law and all but undermined the Geneva system, it seemed to prove that there was at least one 'ex-enemy' Power with a dictator at the head of its Government which had not succumbed to the fascination of the *fait accompli*[2] and still retained a proper respect for its international engagements.

This paradox suggests the need for a more careful analysis of the situation. The fundamental question is this: had the upholders of international morality any real grounds for claiming, as they did, that Turkey's exemplary conduct, and the reward which it received, implied a vindication of that morality? In other words, was Turkey's conduct in April, as compared with that of Germany in March, dictated by a genuine respect for international engagements which the Germans lacked—or simply by more favourable circumstances? The facts suggest that favourable circumstances played an important part. Before 1936 both these Powers had desired treaty revision in respect of the demilitarized zones within their frontiers; the ex-Allies had been consistently unwilling to grant it; and neither Germany nor Turkey had felt strong enough to obtain it by unilateral action. By 1936 the balance of power in Europe had shifted and Italy had made a breach in a League front which had upheld the *status quo*; whereupon Germany, knowing very well that she could still not hope to obtain the revision which she desired by consent, proceeded to take it by unilateral action. Turkey, on the other hand, though she might now with impunity have followed the German example, saw that in the new situation France and Great Britain would, for reasons which will appear later, be only too willing to grant what they had hitherto refused, while Italy, now the outlaw of Europe, would be in no position to prevent them from doing so. Turkey had therefore no need to resort to the method of unilateral repudiation. At the same time she had everything to gain by using the law-abiding method; in this way she could obtain full satisfaction of her claims without further undermining either the Geneva system, to which she was now deeply committed, or the system of international law as a whole, upon which she, like most of the smaller Powers, largely depended for her security; and in addition she would earn for herself all the moral prestige of being, in contrast with Germany, Austria, and Italy, the 'good boy of Europe'.

[1] See the *Survey for 1935*, vol. ii.

[2] It is worth remembering that the attacks of this contagious moral disease had not been confined to Great Powers. Austria had introduced military conscription in violation of the Treaty of St. Germain in April 1936. (See pp. 137, 426–7, 511, above.)

There is a further reason why the Montreux Conference has received more space in this volume than the somewhat academic nature of its immediate subject-matter might seem to justify. The problem of the Straits inevitably raises wider issues of naval strategy and European politics; and the light which this particular discussion of it threw on the new situation in the Mediterranean and the position of the League of Nations was, by reason of the time and place of its occurrence, of considerable value in clearing up the uncertainty left by the Abyssinian war, and in compelling the participants —somewhat to their surprise and embarrassment, for they had arrived without adequate instructions for the purpose—to clarify the future policies of their Governments in the light of the failure of sanctions.

There were even those who claimed the Montreux Convention as a vindication of the League's position in the new European situation, pointing in support of their claim to the various articles (Articles 19, 21 and 25) of the new document which referred decisions in certain cases to the League Council and gave certain rights and privileges to signatories acting under the League Covenant. Such was apparently the view of Monsieur Litvinov, the Soviet Commissar for Foreign Affairs. 'Gentlemen', he said, in one of the sessions of the Conference in which the relation of the new Convention to the League Covenant was discussed, 'the League is not dead. It still exists, and will emerge from its trials with more vigour and strength than ever.' How exaggerated was this optimism as far as the Montreux Convention was concerned will appear from a comparison of its text with that which was evolved at Lausanne in 1923. The new Convention was in reality—as it was left, ironically enough, to the Italian press to point out—a step backwards to the pre-war *status quo*; for by the substitution of exclusive Turkish sovereignty over the Straits for supervision by an International Commission subordinate to the League (as provided for in the Treaty of Lausanne) yet another instrument of international supervision was abolished, and with it a precedent for the internationalization of various key strategic positions on the Earth's surface which might have become of great value in the future evolution of the system of collective security. The most that could be claimed for the new Convention on behalf of the League was that, by not completely ignoring the Covenant, it suggested a presumption on the part of its signatories that the League, however enfeebled by Italian defiance, was not yet on its death-bed.

(*b*) The Historical Background[1]

The Black Sea Straits, defined by the Montreux Convention as including the Dardanelles, the Sea of Marmara and the Bosphorus, have had both in history and legend all the importance of a vital international waterway which is also the key to Constantinople and the meeting-place of Europe and Asia. Geologically they are the remnants of a great river issuing into the Aegean Sea, of which the Danube and the rivers of Southern Russia were tributaries and the Black Sea a vast inland lake. In many ways they still retain the features, both in fact and in law, of a river-mouth; in several places the channel is less than six miles wide and therefore technically[2] within the territorial jurisdiction of its riverain Power. Its coasts command the commercial and strategic communications, not only of the Sea of Marmara and the Black Sea, but of the whole Black Sea basin, including Southern Russia and the Danube valley. The corn of the Black Earth region, the coal of the Donetz basin, the oil of Baku and the Rumanian oil-fields, the agricultural produce of the lower Danube valley, all have their natural outlet through the Straits. The question who was to control the Straits had therefore always been of vital concern to the riverain Powers of the Black Sea and the Danube, the more so since the invention of artillery and floating mines had rendered the Straits all but impassable for a hostile Power;[3] and the greater the number of independent political jurisdictions between which the control of this vast hinterland had been divided, the more complex had the political problem of the Straits become.

The history of the Straits from the establishment of the Ottoman Empire at Constantinople in 1453 down to the signature of the Montreux Convention in 1936 falls roughly into three periods. The first, which ends with the Treaty of Küchük Qaynārjah in 1774, was one of complete and undiminished control by the Sublime Porte; the second, from 1774 to the Armistice of Mudros in October 1918, was one of theoretical Turkish control tempered in practice by such influence as the Great Powers might bring to bear on the Porte by treaties and diplomatic pressure; and the third, from the Armistice of Mudros to the signature of the Montreux Convention in July 1936,

[1] See especially J. W. Headlam-Morley: 'The Black Sea, the Bosphorus and the Dardanelles' in *Studies in Diplomatic History* (London, 1930, Methuen), and Philip Graves: *The Question of the Straits* (London, 1931, Benn).

[2] The exact extent of jurisdiction over territorial waters was still a matter of dispute in the year 1937. No Government claimed less than three miles from the coast, though some claimed more.

[3] This was one of the chief lessons of the Gallipoli campaign of 1915.

was one of more or less theoretical control, first by the three Principal Allied Powers, and then, after the signature of the Treaty of Lausanne in July 1923, by an International Commission directly subordinate to the League of Nations. The Montreux Convention, by restoring the virtual sovereignty of Turkey, resulted in effect in a return to the pre-war *status quo*.

During the first of these periods the Ottoman Empire, then at its zenith, extended from the gates of Vienna to the easternmost waters of the Black Sea. The whole of the Black Sea basin, that is to say, was under the political domination of the same Power that controlled its economic exit, and no political conflict could arise. In those days no foreign ship might pass the Bosphorus, and the rulers of Constantinople would meet the humble requests of Venetian or Russian merchants desirous of trading in the Black Sea with the answer that that sea was 'a chaste virgin in the harem of the Sultan, inaccessible to all alike'.

In the course of the decline of the Ottoman Empire in the eighteenth century Austria began to push her way eastward along the Danube valley, and Russia southward to the coasts of the Sea of Azov. Divided political control over an area that was essentially an economic unit led to the inevitable conflict, and in 1768 war broke out, not for the first time, between Russia and Turkey. Its occasion was the first partition of Poland; its real cause the desire of Catherine the Great of Russia to obtain freedom of navigation in the Black Sea and passage through the Straits for her commercial vessels. By the Treaty of Küchük Qaynārjah, which ended the war, Russia obtained the object of her desire, subject to certain conditions[1] imposed on the passage of her commercial vessels through the Straits; and the other Powers were not slow to follow her example. Austria obtained the right of passage for her commercial vessels in 1784, Great Britain in 1799, France in 1802, Prussia in 1806 and the smaller maritime Powers in the two succeeding decades. The process was carried further in 1829 by the Treaty of Adrianople, which exempted foreign ships of commerce from visit by the Turkish authorities, and was completed in 1856 by the Treaty of Paris, which laid down the principle of full freedom of commercial navigation for all Powers in the Black Sea; and, while the freedom of passage for ships of commerce through the Straits was not established in principle until the signature of the Treaty of Sèvres in 1920, it was in practice assured, at any rate in time of peace, by the separate agree-

[1] Namely that each ship wishing to pass the Straits should obtain a special 'firman' from the Turkish authorities.

ments contracted with the Sublime Porte by all the civilized Powers, subject always to the formalities imposed in recognition of Turkish sovereignty over Turkish territorial waters.

When once it had become evident, however, that the weakness of the Ottoman Government opened the way for diplomatic pressure from other Powers besides Russia, the Russian Government came to feel that their treaties with the Porte were not a sufficient guarantee for the free passage of Russian commerce through the Straits. This commerce was becoming all the more vital to Russia since Catherine the Great had annexed the Crimea in 1783, and had begun to develop the Steppes as a wheat-growing area which was later to supply the new urban populations of Western Europe. Moreover, the only Russian ports that were free from ice throughout the year were those in the Black Sea. It therefore became Russia's aim, first to build a Black Sea fleet which should have freedom of passage through the Straits; and secondly to obtain effective political domination over Constantinople itself, thus re-establishing under her own rule the unitary control of the hinterland and its economic outlet which had been maintained under Ottoman rule in the sixteenth century. This object she might attain in one of three ways: either by direct conquest of the Ottoman Empire, or by establishing what would amount to an exclusive protectorate over the Sultans, or, thirdly, by a peaceful partition of Turkey between the Great Powers, as a result of which she should obtain Constantinople. The history of the Eastern Question up to the time of the General War consisted largely in the reactions of the other Great Powers, first Great Britain, then Austria-Hungary, and finally Germany, to these Russian policies and ambitions; and it was perhaps a suspicion that, in spite of their repeated disavowals, the Soviet Government had not forgotten these ambitions that in part dictated the British attitude at the Montreux Conference.

Russian attempts to secure domination at Constantinople, except on the rare and brief occasions, such as that of 1799, when Russia was the ally of Great Britain,[1] always broke down in the long run in the face of British opposition;[2] while schemes of partition, though

[1] Great Britain had joined Russia in the Second Coalition in face of the more immediate threat from Napoleon. The Straits were opened to Russian warships 'for this occasion only'.

[2] The most notable instance was in 1833. The Sultan, driven into the arms of Russia by Great Britain's refusal to answer his appeal for help against the rebellious Mehmed 'Alī, signed with Russia the Treaty of Unkiar Skelesi, which gave the Russian fleet sole right of passage through the Straits for the fulfilment of her undertakings to Turkey. This treaty was made in defiance of the other Powers, and was liquidated by them in the Quadruple Agreement

often put forward,[1] never received the unanimous consent of the Powers which their execution in peace time required. Russia therefore had to wait until the General War of 1914–18 before her hopes in this direction were fulfilled. Meanwhile she was forced to fall back on her second line of defence for the protection of her commerce, namely the demand that the Straits should be opened to her warships. There, too, however, she met with the opposition of Great Britain, who, having learnt from Napoleon the importance of the Eastern Mediterranean for the defence of India, could not allow Russia to repeat the threat which she had with so much difficulty warded off in the Napoleonic Wars; and, as the Duke of Wellington once pointed out, the Russian naval bases were so much nearer the Levant than the British, that it was sounder policy for Great Britain to insist on the 'closing' of the Straits to all warships and thus forgo the possibility of attacking Russia in the Black Sea, than by 'opening' them to admit Russia into the Mediterranean.

This was the principle underlying the Anglo-Turkish Treaty of 1809,[2] which became the basis of British policy in the matter of the Straits until after the Congress of Berlin, and according to which the Straits were to be closed to the warships of all Powers in accordance with 'the ancient rule of the Ottoman Empire'. After the interlude, already mentioned, which followed the Treaty of Unkiar Skelesi, the same principle was reaffirmed and generalized in the Quintuple Agreement between Great Britain, Russia, Prussia, France and Austria in 1841,[3] and a further clause was added providing that Turkey should open the Straits in time of war—thus allowing to Great Britain, who was the ally of Turkey, the possibility of attacking Russia in the Black Sea in the case of a Russian threat to India; and although the régime of the Straits for which it provided was

of 1840 and the Quintuple Agreement of 1841, which substituted the protection of the five Powers for the exclusive protection of Russia.

[1] e.g. in 1808 by Napoleon at Tilsit. During the greater part of the nineteenth century it was once again Great Britain who usually (though not always: e.g. Aberdeen's conversations with the Czar in 1844) opposed these schemes, mainly because they were usually designed to exclude Great Britain. This was the policy of 'bolstering up the sick man' inaugurated by Pitt and maintained fairly consistently until the British Government decided, late in the century, that Turkey was no longer sufficiently 'viable' to constitute a safe bulwark against Russia. We therefore find Lord Salisbury after 1895 tentatively returning to Aberdeen's policy of partition. This time the opposition came from Germany, whose influence was replacing that of Great Britain at Constantinople.

[2] This treaty was the British retort to Napoleon's threat at Tilsit (see footnote 1, above) to partition Turkey.

[3] Or rather in the Quadruple Agreement of 1840, to which France adhered in 1841.

technically based, not, as the Russians had demanded, on a principle of international law, but once more on 'the ancient rule of the Ottoman Empire'—that is to say on the recognition of Turkey's full sovereignty over the Straits—that sovereignty was in effect limited to the extent that, in time of peace, Turkey now had no right to make exceptions to the ban on warships, while revision of the settlement might only be made with the consent of all the signatory Powers.[1]

Even harsher terms were imposed on Russia[2] by the Treaty of Paris in 1856. These terms were abrogated by the unilateral action of the Czar during the Franco-Prussian War; but at the Conference which met in London in 1871 to regularize that action Great Britain obtained, in exchange for a restoration of the *status quo*, yet another concession at the expense of Russia, in the form of a clause permitting the Sultan 'to open the Straits in time of peace to friendly and allied Powers in cases in which he shall think it necessary for the execution of the Treaty of Paris'. Here were further signs of a change in British policy, which, from the time of the Congress of Berlin onwards, was hastened by the emergence of several new factors in the Straits Question. In the first place, Britain's position in the Eastern Mediterranean had become both more vital to her as a result of her interest in the newly constructed Suez Canal, and more secure as a result of her occupation of Cyprus in 1878 and of Egypt in 1882; in the second place, the emergence of Rumania and Bulgaria as independent states by no means subservient to Russia blocked the Russian land route to the Mediterranean and therefore enhanced Russia's desire for Constantinople. In the third place, Great Britain's influence in Constantinople, already declining, had received a further blow as a result, amongst other things, of her occupation of Cyprus.[3] All these factors, together with the lessons which Great Britain had learnt during the Crimean War, decided Lord Salisbury to reverse Pitt's policy, abandon British support of Turkey, whom he now

[1] This last clause, which at the time represented a cardinal point in British policy, was conveniently ignored by Lord Salisbury in his Protocol of 1885, which declared that the British obligation was to the Sultan alone—i.e. implying that it would cease to be valid if the Sultan acted under pressure from other Powers. This change in British policy was due to the decline of British influence in Constantinople after 1878, as well as to the British pessimism with regard to the viability of Turkey which led to Salisbury's partition proposal. (See footnote on p. 590, above.)

[2] Including the neutralization of the Black Sea.

[3] Other reasons were the attitude of the British Government and public towards the Turkish treatment of the Armenians, and the unwillingness of British capitalists to throw good money after bad for the purpose of restoring the shaky finances of the Sultans.

regarded as 'the wrong horse', and advocate the opening of the Straits to the warships of all Powers.

The new British policy might well have had its ultimate issue in some form of internationalized régime for the Straits, but the whole position was radically changed by the sudden and extensive increase of German influence[1] in Turkey after the turn of the century, and by the conclusion in 1907 of the Anglo-Russian Entente which was in part a result of it. Germany's ambition to convert Turkey into a Pan-German India was a direct challenge to Russian aims such as the policy of Great Britain or even Austria had never been, and was all the more serious since Russia's defeat at the hands of Japan in 1905 had forced her to direct her imperialist ambitions back to the West. Meanwhile the Turkish Empire was rapidly crumbling to pieces. It was imperative for Russia to forestall Germany in Constantinople, and to this end she began feverish negotiations from 1907 onwards, hoping that she would receive the support of her new ally Great Britain.

For several years these negotiations[2] came to nothing, mainly because Great Britain had not yet sufficiently overcome her mistrust of Russia to give the Russian claim that whole-hearted support which was expected of her. It was not until six months after the outbreak of the World War, not the least cause of which was this very collision of Russian and German imperialism at Constantinople, that Great Britain and France found themselves compelled to concede to Russia what they had denied her for over a century, in order to ensure that their ally would not leave them in the lurch by signing a separate peace. By the secret 'Constantinople Agreement',[3] concluded on the 18th March, 1915—that is, just before the launching of the Dardanelles Expedition—Great Britain and France agreed[4] that, in the event of an Allied victory, Russia should obtain full possession of Constantinople, together with both shores of the Bosphorus, Southern Thrace up to the Enos–Midia line, Imbros, Tenedos

[1] It was the German-Turkish Committee which in 1885 planned the fortification of the Dardanelles.

[2] e.g. in particular Isvolsky's conversations with the Austrian Foreign Minister Aehrenthal at Buchlau in 1908; and the Russian offer of an alliance to Turkey on the lines of the Treaty of Unkiar Skelesi at the time of the Italian threat to blockade the Straits during the Tripoli War of 1911.

[3] For full details of the Constantinople Agreement see *The History of the Peace Conference* (cited hereafter as *H.P.C.*), vol. vi, pp. 4 *seqq.*

[4] With the proviso that Russia would undertake to respect the existing rights of her allies in Constantinople and the Straits. Italy's consent to this arrangement was made conditional on the satisfaction of her claims in the Levant (Agreement of St. Jean de Maurienne, April 1917). See *H.P.C.*, vol. vi, pp. 20 *seqq.*

and the islands in the Sea of Marmara. But if Great Britain had been led by the exigencies of war to abandon, at any rate on paper, this cardinal principle of her foreign policy, she was spared the necessity of implementing her promise by the one event the fear of which had led her to give it, namely the premature withdrawal of Russia from the war. The Bolshevik leaders who overthrew the Kerensky Government in October 1917 formally declared themselves opposed to all forms of annexation and imperialism; and by the Treaty of Brest-Litovsk the direct Russian threat to Constantinople was removed for at least a generation.

The next stage in the evolution of the Straits Question was marked by the signature, on the 10th August, 1920, of the Treaty of Sèvres.[1] The Straits clauses of this treaty reflected the abnormal situation brought about by the complete collapse of the two Powers most vitally concerned in the Straits Question, Turkey and Russia. By the Armistice of Mudros (30th October, 1918) the Porte was obliged to surrender all its military and naval forces and to admit an Allied force of occupation to the strategic points controlling the Straits, while the Soviet Government were fighting for their life against the White Russian armies of Denikin and the troops which the Allies, thanks to their control of the Straits, had sent to support him. The Allies were thus left to impose on Turkey a solution after their own will—or rather, after the will of the American President, for although the United States of America had by 1920 withdrawn from the European scene, the new treaty was based on the twelfth of President Wilson's Fourteen Points, which provided that, while 'the Turkish portions of the Ottoman Empire should be assured a secure sovereignty . . . the Dardanelles should be permanently opened to the ships and commerce of all nations under international guarantees'.[2] In other words, the principle of complete freedom of passage was to be established for the ships of war and commerce of all nations both in peace and war, in the hope that the Straits would never again exact the appalling toll of life which had been sacrificed to them in vain in 1915.

As in many other regions, however, the practical application of President Wilson's principles proved far from easy. The first diffi-

[1] For the terms of the Treaty of Sèvres and the history of events preceding and following its conclusion see *H.P.C.*, vol. vi, pp. 23 *seqq.*

[2] This was in accordance with the pre-war standpoint of the Government of the U.S.A., which, while acquiescing in practice in the British view of the Straits as subject to 'the ancient rule of the Ottoman Empire'—i.e. to Turkish sovereignty—had always maintained in principle the doctrine of the 'freedom' of the Straits as part of the high seas.

culty, that of preventing *de facto* control of the Straits by Turkey, was overcome by allotting the European shores of the Dardanelles to the Greeks, at that time the *protégés* of Mr. Lloyd George, and by establishing an International Commission to supervise the working of the new régime. The second difficulty was that of securing Constantinople from hostile attack and assuring freedom of passage[1] even during a war in which Turkey should be belligerent (as, for example, a Greco-Turkish war); and this was less easily overcome. A general international guarantee, such as the Fourteen Points envisaged, suffered from the objection, repeatedly emphasized by Russia before the war, that it would almost certainly prove ineffective in an emergency, while the possibility of entrusting the Straits as a Mandate to a disinterested Power was put out of court by the unwillingness of the only possible Mandatory Power, namely the United States, to accept such an extensive obligation.[2] There remained therefore only one solution, that of the demilitarization of all the shores of the Straits, and their occupation by a joint Anglo-Franco-Italian force whose business it should be to uphold the decisions of the International Commission; and this was eventually adopted in the Treaty of Sèvres as a substitute for a general international guarantee.

This settlement of the Straits Question was as ephemeral as the situation which it reflected. The Treaty of Sèvres was never ratified and therefore technically never came into force. The balance of power in the Near East on which it was based was completely altered within the next two years by the consolidation of the Soviet power in Russia and the emergence of a strong and united Turkey under Mustafā Kemāl. These two traditional enemies, drawn together by the common menace of Allied intervention—in the one case direct, in the other under the guise of a Greek invasion of Anatolia—settled their outstanding differences in Armenia and signed a Treaty of Alliance at Moscow in March 1921.[3] Article 5 of this treaty declared that the Straits should be open to all nations and that, in order to guarantee their freedom, a conference of the riverain states of the Black Sea should be called in order to draw up an international guarantee—which, however, should not be incompatible with the full sovereignty of Turkey and the security of Constantinople.[4]

[1] This was all the more important in view of the creation of new land-locked states in Central Europe whose chief economic outlet was the Danube.

[2] Such an offer was made specifically to President Wilson in the course of the negotiations preceding the Treaty of Sèvres, and was rejected on the grounds that it was unacceptable to the people of the U.S.A.

[3] See the *Survey for 1920–3*, pp. 370 *seqq.*

[4] The proviso contained in the last sentence represented the attitude of the

The Turco-Soviet combination might not have carried much weight, even after the complete collapse of the Greek armies in Anatolia, but for the fact that the Allies in Constantinople were far from united. The Italians had from the beginning looked with disfavour on Greek ambitions which might prove a threat to their own designs in Anatolia,[1] while the French had come to discover that the three-Power guarantee of the Straits meant in effect the preponderance of Great Britain as the strongest Naval Power. Both France and Italy therefore made secret agreements[2] with the Kemalist Government, and Great Britain, isolated in her determination to 'fight for the freedom of the Straits', had neither the strength nor the will to enforce the Treaty of Sèvres.

The basis of the new settlement concluded at Lausanne was the Armistice of Mudania,[3] signed by the High Commands of the three Allied Powers, Greece and Turkey, on the 11th October, 1922. With the Greek armies defeated, and Mr. Lloyd George unwilling to fight to keep the Turks out of Thrace, the idea of dividing the sovereignty of the coasts between Greece and Turkey was perforce relinquished. Turkish sovereignty was re-established over the European shores of the Straits up to Adrianople on the North and the River Maritza on the West, and the immediate threat to the security of Constantinople was thereby removed.[4] The joint Allied occupation of the coastal area likewise came to an end, but the continued presence and reinforcement of the British forces stationed at Constantinople during the Lausanne Conference enabled Lord Curzon, the chief British delegate, to maintain, at any rate in theory, the principles of the freedom of the Straits that had been established by the Treaty of Sèvres.

It will be useful at this point to outline the main provisions of the Straits Convention[5] which was embodied in the Treaty of Lausanne

Kemalist Government with regard to the security of Constantinople as affirmed in the Angora National Pact (January 1921).

[1] See the secret agreement of St. Jean de Maurienne (*H.P.C.*, vol. vi, pp. 20 and 21). Italy appears to have demanded the right to occupy or annex the sanjāqs of Adalia, Menteshe and Ichili, and the vilāyets of Aydyn and Adana as well as part of the vilāyet of Qonīyah.

[2] The Angora agreements between France and the Kemalist Government (21st October, 1921) and Italy and the Kemalist Government (24th April, 1922).

[3] See *H.P.C.*, vol. vi, pp. 38 *seqq.*, 104 *seqq.*

[4] In any case the security of Constantinople was no longer such a vital matter for Turkey since the removal of the Turkish capital to Angora.

[5] The text of the convention was published in the British parliamentary publication, *Cmd.* 1929 of 1923; in *British and Foreign State Papers, 1923*; and in *League of Nations Treaty Series*, vol. xxviii. An abbreviated text will be

(signed on the 24th July, 1923),[1] since this was the instrument which the Montreux Conference was called to revise.

(i) *Ships of Commerce.*

Full freedom of passage for the commercial vessels and civil aircraft of all nations was to be maintained both in peace and war, as in the Treaty of Sèvres, subject to the stipulation that, in case of a war in which Turkey was belligerent, Turkey should have the usual rights of a belligerent to proceed against enemy merchantmen and to search neutral vessels.

(ii) *Warships.*

1. In time of peace similar freedom of passage was allowed to the warships of all Powers, subject to the limitation that no one Power might send into the Black Sea a force larger than that of the largest fleet maintained by a littoral Power in that sea.[2]

2. In case of a war in which Turkey was neutral, the same conditions were to apply to neutral warships, but not to belligerent warships to the detriment of their belligerent rights in the Black Sea.

3. In case of a war in which Turkey was belligerent, neutral warships and aircraft might pass the Straits at their own risk; the measures which Turkey might take to prevent the passage of an enemy force were not to be such as to prejudice neutral rights.

(iii) *Guarantees.*

In order to ensure the enforcement of these provisions:

1. The European and Asiatic shores of the Bosphorus and the Dardanelles, the Greek and Turkish islands commanding the exit of the Dardanelles, and those in the Sea of Marmara (with the exception of Emīr ʿAlī Adasy) were to be demilitarized. This clause Turkey would be at liberty to modify in time of war, provided that she notified the signatories, and undertook to restore the *status quo* on the termination of the war.

2. The International Straits Commission, brought into being by the Treaty of Sèvres, and consisting of representatives of all the

found, in conjunction with the text of the Montreux Convention, in *Documents on International Affairs, 1936*, pp. 648–67. See also *H.P.C.*, vol. vi, pp. 104 *seqq.* This volume was sent to the press before the actual signature of the Treaty of Lausanne; its account of the treaty is therefore incomplete.

[1] By the representatives of the British Empire, France, Italy, Japan, Bulgaria, Greece, Rumania, Russia and Turkey. The Serb-Croat-Slovene State (Jugoslavia) refused to sign, owing to temporary differences with Turkey over the Ottoman Public Debt.

[2] With the proviso that the Powers might at all times and in all circumstances send into the Black Sea a fleet of not more than three ships, no one of which might exceed 10,000 tons.

signatory Powers, was to be maintained under the permanent presidency of Turkey.

3. In the case of a threat to the freedom of the Straits or the security of the demilitarized zones, the signatory Powers, and in any case Great Britain, France, Italy and Japan, were to meet it by all the means that the Council of the League of Nations might decide for the purpose.

The last-named provision, which was to form an integral part of those relating to the demilitarization and the freedom of the Straits, was not to prejudice the rights and obligations of the signatories under the Covenant of the League of Nations.

Thus a compromise was achieved between the point of view of the Western Powers, who desired the complete freedom of the Straits, and that of the littoral Powers of the Black Sea, who desired special treatment in virtue of their special interests in that sea; while Turkey, though still deprived of the full extent of her sovereignty over the Straits, was compensated by the general and special guarantee of her security[1] as well as by a specific permission to do virtually whatever she pleased in the case of a war in which she was belligerent.[2]

There was one Power, however, that was far from satisfied. The Turco-Soviet honeymoon had not outlasted the Lausanne Conference, and the draft which formed the basis of discussion at Lausanne was arrived at by agreement between the Turkish delegate and Lord Curzon, the British Foreign Minister. Monsieur Chicherin, the Soviet delegate, was alone in opposing its main lines and maintaining that the Straits should be closed to all warships both in peace and in war. At the end of the Conference he signed the Convention under protest, and his Government subsequently refused to ratify it. The attitude of Monsieur Chicherin in thus showing himself more Turkish than the Turks was hardly surprising; the new rulers of Russia had at that time no important naval force in the Black Sea which they might with advantage send into the Mediterranean, and were most unwilling, in view of economic conditions in Russia, to be put to the expense of building one; they no doubt thought also of the new possibility of air attack, launched from bases in the Black Sea against the Baku oil-fields and the Donetz basin; and, most important of all, having learnt during the period of Allied

[1] Provided in (iii) (3), above.

[2] In addition to this Turkey was permitted by the treaty itself to keep a garrison of 12,000 men in Constantinople. The Allies abandoned their right to keep a force of any sort in the Straits Zone.

intervention in Russia in the years 1919–21 the threat to their security implied in the opening of the Straits to non-riverain warships, they could not be satisfied with the conditions imposed on that freedom; for although no one Power might send into the Black Sea a force exceeding that of the Soviet Union's own fleet in those waters, a hostile combination such as that of 1919 would be as dangerous to the Union as ever.

In this matter Monsieur Chicherin had hoped for the support of Turkey, both in virtue of the Turco-Soviet alliance of the previous year and because the closing of the Straits would provide a greater assurance for the security of Constantinople. That support, much to the chagrin of Monsieur Chicherin, was not forthcoming; the Turks refused his invitation to renew the war, and, finding himself thus isolated, he had no alternative but to accept Lord Curzon's terms. The result was not only that the Soviet Government refused to ratify the treaty, but also that, in the thirteen years that followed the Treaty of Lausanne, they were at least as eager as the Turks for the reform of the Straits Convention which it contained; and Turkey knew that, whenever she might demand revision,[1] she would be certain of Soviet support.

(c) From the Signature of the Treaty of Lausanne to the Despatch of the Turkish Note of the 10th April, 1936

During the ten years which followed the signature of the Treaty of Lausanne the Straits Convention annexed to that treaty and the Commission[2] set up to administer it worked sufficiently smoothly to attract little or no attention in diplomatic circles; indeed the pacification which it brought about was commonly quoted as an example of what might have prevailed throughout Europe if the rest of the peace settlement had also been made in the form of freely negotiated treaties. From the U.S.S.R., however, there came an occasional reminder that her Government had not yet reconciled themselves to the new situation in the Straits. In February 1924, for instance, Admiral Berens, the Soviet representative at the Rome Naval Conference,[3] did as much as anybody to ensure the failure of the negotiations by claiming a maximum of 400,000 tons for the total tonnage of Soviet capital ships (as compared with the British proposal of

[1] It should be noted that there was not included in the Treaty of Lausanne any clause providing specifically for revision. This omission was made good in the Montreux Convention. See p. 643, below.

[2] See the *Annual Reports* of the Straits Commission.

[3] See the *Survey for 1924*, p. 79.

110,000 tons) unless both the Black Sea and the Baltic were closed to the fleets of all but littoral Powers. Again, in January 1930[1] the discovery that two Soviet warships had passed the Straits unobserved, that is, presumably, with the connivance of the Turkish authorities, caused some alarm to the other riverain Powers of the Black Sea, who realized as a result of this incident that nothing could prevent Moscow from violating the Lausanne Convention provided that she was on sufficiently good terms with Angora; nor were they comforted by the British Government's assumption that under such circumstances the Straits Commission was powerless to intervene.

This close co-operation between Turkey and the U.S.S.R. had been resumed in spite of the differences which had temporarily separated the two Powers at Lausanne. Neither Power was a member of the League; both were in a sense outcasts from Europe, and both still felt themselves threatened by Western imperialism. Their friendship was renewed by a treaty signed in December 1925,[2] at the time of the Anglo-Turkish dispute over 'Irāq, and prolonged in July 1930.[3] Turkey's unwillingness to lean exclusively on the arm of Russia, however, led her during this period to settle her outstanding disputes and achieve a *rapprochement* with the Western Powers who were now virtually her territorial neighbours. In June 1926 she signed a treaty with Great Britain and 'Irāq,[4] which liquidated the Mosul dispute and brought to a close the period of Anglo-Turkish tension that had been the chief cause of Turkish dependence on the U.S.S.R.; on the 30th May, 1928, she signed a treaty of friendship with Italy[5] in the hope of bringing to an end the threat to her security implied in Italian ambitions in Anatolia;[6] in February 1930 she signed a similar treaty with France[7] which marked the end, for the time being, of Franco-Turkish tension over Syria; and finally, and perhaps most important of all, by signing in October 1930 a treaty of friendship with Greece,[8] which *inter alia* established naval parity between the two Powers, she freed herself from the threat of a Greek blockade of the Dardanelles and substituted for a century-old hostility a friendship which was not the least important of the factors contributing to her success at Montreux.

This diplomacy culminated, in July 1932, in Turkey's admission to

[1] See *The Times*, 18th and 20th January, 1930.
[2] See the *Survey for 1925*, vol. i, p. 525. For the text see *Documents on International Affairs, 1928*, pp. 198–9.
[3] See the *Survey for 1934*, p. 220.
[4] See the *Survey for 1925*, vol. i, pp. 527–8.
[5] See the *Survey for 1928*, p. 158.
[6] See *H.P.C.*, vol. vi, pp. 20 *seqq.*
[7] See the *Survey for 1930*, p. 316.
[8] See *op. cit.*, pp. 157–68.

the League of Nations,[1] and this in turn put an end to the somewhat anomalous state of affairs by which the Straits Commission, a League instrument, had been under the perpetual presidency of a non-member state. By 1934 Turkey was both the holder of a seat on the League Council and a staunch member of the Balkan Entente which she had been largely instrumental in forming,[2] without having to any large extent abandoned her friendship with the U.S.S.R. and her smaller Asiatic neighbours. She was thus on good terms with almost every state represented at Geneva, and Monsieur Rüstü Aras, as her Foreign Minister was now styled, was an active figure in its halls; nor did his position rest entirely on personal qualities, for under the direction of President Mustafā Kemāl, and as a result of increasing expenditure on armaments, successive five-year plans of self-sufficiency and the construction of important strategic railways, Turkey had risen to a position second to none amongst her Balkan and Asiatic neighbours in military strength and efficiency.

It was in these circumstances that the Turkish Government first felt themselves in a position, at the Disarmament Conference, to raise the question of the remilitarization of the Straits.[3] At the sixty-second meeting of the General Commission of the Conference, on the 23rd May, 1933, Monsieur Aras, the Turkish representative, following up a statement already made by his fellow-representative, Cemal Hüsnü Bey, at the forty-seventh meeting of the Commission, read a declaration demanding the abrogation of the demilitarization clauses of the Lausanne Convention, and proposing that a committee of the Conference, consisting of representatives of the riverain Powers of the Black Sea and the Mediterranean, together with those of Japan and the United States, should be appointed to inquire into the matter.[4] The Turkish proposal was received with interest by Sir

[1] See the *Survey for 1934*, pp. 216–21. [2] See *op. cit.*, pp. 508–35.

[3] The Turkish Government had already put the matter privately to Sir John Simon in the March of the same year. See Sir John Simon's statement in the House of Commons at Westminster on the 11th June, 1934.

[4] See the *Minutes of the General Commission* of the Disarmament Conference, vol. ii (League of Nations Publication: *IX. Disarmament. 1933. ix. 10*), pp. 481 *seqq.* The occasion was the discussion of Article 19 of the British Draft Proposals, dealing with the limitation of heavy artillery. The Turkish representative pointed out that the limitations proposed with regard to heavy land guns would increase the insecurity of the Straits in the face of an attack by a naval force; and he suggested that, rather than make a special exception to these limitations in favour of Turkey, the Powers should allow Turkey to increase her security by abrogating the demilitarization clauses of the Treaty of Lausanne. This, he pointed out, would be more in accordance with the equalitarian treatment suggested for the 'ex-enemy Powers' by Article 96 of the British draft, which was destined to replace certain military provisions of the Treaties of St. Germain, Trianon, and Neuilly.

John Simon[1] and other members of the Commission, and with suspicion by Monsieur Paul-Boncour, the representative of France, who expressed the sentiment that proposals for treaty revision were out of place at a Disarmament Conference; and the proposed committee to inquire into the matter suffered, like the rest of the Conference, the fate of postponement *sine die*.

Turkey was not to be put off, however, by the procrastination of the Western Powers; and the question was again raised in the course of the bilateral Greco-Turkish negotiations in Rome in July 1933 which eventually led to the signature of the Balkan Pact. This time Turkey had in mind the formation of a 'Euxine Pact'[2] (including only the Powers immediately concerned in the Straits Question; that is to say, the riverain Powers of the Black Sea and Greece), within the framework of which permission for the remilitarization of the Straits should be obtained; but by the end of October 1933 this plan, too, had come to nothing owing to the opposition of Bulgaria and Jugoslavia, who suspected Greece and Turkey of aiming at the hegemony of the Balkans.

During the next two years Monsieur Rüstü Aras, the Turkish Foreign Minister, continued to refresh the public memory in the matter on several occasions. The first was in May 1934, when the Turkish Government were about to launch their seven-year rearmament plan. Turkey had at this time been seriously alarmed by two events: in the first place by the recent *rapprochement* between Bulgaria and Jugoslavia, which offered a potential threat to her Thracian frontier; secondly, and more particularly, by a declaration on the part of Signor Mussolini, in a speech delivered in March, to the effect that 'Italy's historic objectives are in Asia and Africa'.[3] This announcement came to Turkey as a rude reminder that, in spite of the Italo-Turkish Pact signed in 1928 and renewed in 1932, Italy had not abandoned those ambitions in Anatolia which had found expression in the agreement of St. Jean de Maurienne and had shown new signs of life in December 1925, when Signor Mussolini had threatened to invade Anatolia if Turkey went to war over the Mosul dispute.

[1] Cf., however, the remarks of the British Foreign Secretary in the fiftieth meeting of the General Commission (27th May), in which he pointed out that there was no parallel between the demilitarization clauses of the Treaty of Lausanne and the clauses in the treaties with the other ex-enemy Powers referred to in Article 96 of the British draft.

[2] See the *Survey for 1934*, p. 518 *n*. The proposal was rendered possible by the *rapprochement* between Rumania and the U.S.S.R., which had found expression in the Non-Aggression Treaties of London of July 1933. See the *Survey for 1933*, pp. 181–3.

[3] See the *Survey for 1934*, p. 330 and *n*.

Turkey was scarcely comforted now by the assurances of the Italian Government, in answer to her anxious inquiries, that Signor Mussolini's speech did not refer to Turkey, since he regarded Turkey as a European Power.

These were the main motives of Turkey's rearmament policy, of which she hoped to make the remilitarization of the Straits an integral part. Monsieur Aras, in repeating his request for a revision of the Lausanne settlement,[1] pointed out that the failure of the Disarmament Conference and the serious weakening of the League, brought about by the departure from it of Japan, the threatened departure of Germany, and the changed attitude towards it of Italy, called in question the efficacy of the guarantee Article (Art. 18) of the Lausanne Convention. His *démarche* led to a lively exchange with the British Foreign Minister, as a result of which he once again consented to withdraw his request and to assure the British Government that 'in the present circumstances the Turkish Government' did 'not intend to pursue the matter'.[2]

The second occasion was the eighty-fifth (extraordinary) session of the League Council in the middle of April 1935,[3] at which, in the course of a discussion of Monsieur Laval's draft resolution concerning sanctions, Monsieur Rüstü Aras made a declaration to the effect that Turkey regarded the demilitarization clauses of the Treaty of Lausanne as being of a discriminatory character, and went so far as to threaten that, should there be any changes in the situation fixed by existing treaties, Turkey would feel obliged, having regard to her security and to the principle of equality, to modify the régime of the Straits. In other words, she would regard the revision of the military clauses of the Treaties of St. Germain, Trianon and Neuilly which figured on the agenda for the Stresa Conference as both giving her the right and involving her in the necessity of seeking revision of the Treaty of Lausanne. This declaration and the threat contained in it, it is interesting to note, received on this occasion the declared

[1] According to *The Manchester Guardian* (15th August, 1934) the Turkish Government had originally intended once again to raise the matter officially at the Disarmament Conference. This intention was not fulfilled, since it might have put an obstacle in the way of negotiations for an extensive regional pact including the U.S.S.R., the Baltic, Balkan and Little Entente States which was being mooted at the time. The Turkish Government contented themselves with raising the matter unofficially by way of press declarations and informal talks.

[2] See Sir J. Simon's statement in the House of Commons at Westminster on the 11th June, 1934.

[3] See the Minutes of the eighty-fifth (extraordinary) meeting of the Council in *League of Nations Official Journal*, May 1935.

support of Monsieur Litvinov, the Soviet representative; while the British representative promised that the question should appear on the agenda of the projected Rome Conference in the early months of 1935[1] (which never took place).

This Turkish declaration was repeated in similar terms at the annual meeting of the Balkan Entente at Bucarest in May 1935,[2] and again at the plenary meeting of the League Assembly at Geneva on the 14th September;[3] and, on the critical occasion of the imposition of sanctions against Italy in November of the same year, the deputy Foreign Minister of Turkey once more declared that 'Turkey will not hesitate to take the necessary steps' to ensure the security of the Straits 'in case of unforeseen occurrences'. Rumours of Turkey's intention to close the Straits were so widespread at this time that for three days no commercial shipping ventured through them for fear that it might be prevented from returning. For the time being, however, there was little sign of a change in the attitude of the Western Powers, and the Turkish threat remained empty in the face of their opposition.

(*d*) The Turkish Note of the 10th April, 1936, and the Negotiations leading up to the Montreux Conference

By the middle of March 1936 the state of affairs which had led the Western Powers to brush aside the Turkish claims was completely altered by two events: the successful Italian aggression in Abyssinia in violation of the League Covenant and the German reoccupation of the demilitarized zone of the Rhineland in violation of the Treaties of Versailles and Locarno.

In the weeks following the latter event strong rumours were current at Geneva and elsewhere that Turkey was about to follow Germany's example and march into the demilitarized zone of the Straits; and there is every reason to suppose that, if the views of the Turkish General Staff had prevailed, the World would have been faced with yet another *fait accompli* on the Italian, German and Austrian model. The rumours turned out, however, to be the outcome of misplaced guess-work, based no doubt on the Turkish threats of the previous year. The Turkish Government had decided to seek revision by legal means.

The Turkish Foreign Minister had already raised the matter

[1] See the *Survey for 1935*, vol. i, pp. 168–9.
[2] See *The Times*, 15th May, 1935.
[3] See *Records of the Sixteenth Ordinary Session of the Assembly: Plenary Meetings: Text of the Debates.*

informally with the representatives of the Western Powers during the special meeting of the League Council which was held in London to review the situation created by Germany's reoccupation of the Rhineland.[1] On the 10th April, after his return to Angora, Monsieur Aras announced amid loud applause at a meeting of the Republican People's Party (the Turkish Government Party) that the Turkish Government had decided formally to request the signatories of the Lausanne Convention to agree to a modification of its demilitarization clauses. On the same day identical notes were handed by the Turkish Government to the representatives in Angora of the signatories of the Lausanne Treaty, and of Jugoslavia;[2] and a similar note was despatched by way of information to the Secretary-General of the League.

This note,[3] which was signed by Monsieur Rüstü Aras, began by referring to the radical change in the European situation since the Treaty of Lausanne which necessitated the Turkish request and by emphasizing the entire good faith in which the request was made; went on to indicate that, in view of this change, Turkey desired to enter into negotiations to ensure 'the security of Turkey and the inviolability of Turkish territory' as well as 'the development in a helpful spirit of commercial navigation between the Mediterranean and the Black Sea'; and ended with a reminder of Turkey's record of unflinching loyalty to her international engagements, a request that the proposed revision should be discussed by the Powers 'in the near future',[4] and a veiled threat that, if her request were not satisfied, she 'might be led to take upon herself the responsibility' of putting the necessary measures into effect.

The analysis of the Turkish Government's motives contained in this note is of exceptional interest, for it throws a vivid light on the situation of the smaller Powers after the failure of the League to check Italian aggression in Abyssinia. Turkey's general case rested on the unreliability in the new situation of the double guarantee contained in Article 18 of the Lausanne Convention. This article, the note pointed out, was explicitly declared to be an integral part of the Convention in the sense that it alone justified the diminution of Turkish sovereignty over the Straits imposed by the other articles of the Convention. Turkey now no longer felt full confidence in its efficacy. In the first place it had been conceived at a time when states

[1] See the present volume, Part III, section (i) (*e*).
[2] Who had not signed the Treaty of Lausanne (see p. 596, footnote 1, above).
[3] For the text see *Documents on International Affairs, 1936*, pp. 645–8.
[4] The date suggested was the forthcoming Council Meeting on the 11th May.

were less fully armed than at present, and looked forward to a period of yet further disarmament and of political relations based on the respect for international engagements. These expectations had been belied, and the curve of armaments, both in the air and on the sea, was rapidly rising. In the second place the failure of the League to check Italian aggression in Abyssinia had proved that collective guarantees were too slow in their operation to offer protection in case of a sudden attack (this applying both to the general guarantee by all the signatories of the Lausanne Convention and to Article 10 of the League Covenant which stood in the background of the Convention); while the special four-Power guarantee could no longer be relied upon, since, out of the four Powers in question, one, Italy, was now in conflict with two of the others, Great Britain and France, and had in any case explicitly rejected all her obligations so long as sanctions remained in force; while the fourth, Japan, had withdrawn from the League and from active participation in European affairs. In the third place there was in the Lausanne Convention no clause allowing Turkey to provide for a general or special threat of war; such measures as she might take under Article 9 were only permitted after war had broken out—and that, as the fate of Abyssinia was proving, would be too late. Finally, in mentioning certain 'continental and island fortifications', the note hinted that Turkey regarded the recent fortification of the Dodecanese as a direct Italian threat to her own security at its most vulnerable point.

It is a matter of speculation how far the Turkish Government were sincere in their claim that the request for revision was made 'in entire good faith'. On the one hand the arguments based on the general deterioration in the European situation and in the sanctity of international engagements were only too sound. Nor was Turkish fear of the Italian menace less justified; the Italian aggression in Abyssinia gave Turkey additional reason to reflect on the sincerity of Signor Mussolini's declaration, two years earlier, that 'the historic objectives of Italy are in Asia and Africa';[1] and the fortification of the island of Leros[2] in the Dodecanese suggested that, when once Italy had digested her African meal, she might seek fresh morsels to satisfy her growing appetite in Asia. Those anxious to prove the reality of Turkish fears might point both to the readiness with which, in January, Turkey had accepted the British proposals for a Mediterranean naval arrangement, and to her anxiety that the Powers should liquidate the Abyssinian affair by some kind of Mediterranean

[1] See pp. 601–2, above.
[2] For the Italian justification of this measure see below, p. 651.

Locarno along the lines which Monsieur Litvinov had suggested at the end of 1933.[1]

On the other hand there was clearly in the mind of the Turkish dictator a motive which, though not mentioned in the Turkish note, is inevitably present in the mind of all dictators—that of prestige. Kemāl Atatürk could not have failed to be moved by Herr Hitler's example to take action in a matter which affected Turkish public opinion in the way in which the status of the Rhineland affected opinion in Germany. For this reason, and seeing that, in spite of Turkish fears, Italian preoccupations in Abyssinia might be expected, at any rate for the time being, to remove a direct threat from the only likely source of danger, it is tempting to suppose that Turkey's complaints concerning the immediate menace to her security were deliberately somewhat exaggerated, and that she merely seized a long-awaited opportunity to take a step which, though based in part on considerations of long-term security, was very largely inspired by considerations of national prestige—a supposition borne out by the obstinacy with which Turkey refused at the Montreux Conference[2] to accept the least vestige of the International Commission which Great Britain was so anxious to maintain.

There then remains the further question why, if Turkey's main motive was prestige, she chose the lawful procedure of treaty revision rather than the method of the *fait accompli*, and this in spite of the fact that, in a country where the military caste played a predominant rôle in politics, the General Staff were in favour of the more summary method. This choice is probably attributable, not to any pressure such as Monsieur Flandin was reported to have brought to bear on the Turkish Foreign Minister during their private conversations in London,[3] but to the superior statesmanship of Kemāl Atatürk, who, having found as a result of diplomatic inquiries that the Powers would return a favourable answer to a Turkish request made in a lawful way, decided that for a lesser Power there was more to be gained from legal methods. He was shrewd enough to see that in this case, by using lawful means, he could gain his immediate objective, and perhaps more besides, without further undermining either the Geneva system or the sanctity of international law as a whole; and at the same time win for his country all the moral prestige of having been the first Power[4] to use such means for the revision of a post-war treaty.

[1] See the *Survey for 1935*, vol. i, p. 63.

[2] See below, p. 641.

[3] See above, pp. 603–4.

[4] Strictly speaking, the revision of the Lausanne Convention was not the first instance since the peace settlement of the revision of that settlement by

The reactions to the Turkish note of the Governments concerned bore full witness to the wisdom of Turkey's decision. With one exception they were all favourable to the Turkish demand. The British Government, in their note delivered on the 16th April,[1] described the Turkish *démarche* as 'fully justified', expressed their appreciation of the fact that Turkey had chosen the legitimate method of treaty revision, and indicated the willingness of the British Government to deal with the matter 'without delay', subject only to an interval during which they might consult the Dominion Governments on whose behalf they had signed the Treaty of Lausanne. The French Government's answer, delivered on the 23rd April, indicated a similar attitude; the Soviet Government, whose note[2] was delivered on the 16th April, expressed themselves even more favourably towards Turkey's demand, pointing out that the principle of full Turkish sovereignty over the Straits had been affirmed in the Turco-Soviet treaties and had been supported by the U.S.S.R. at the time of the Lausanne Conference, and that since that time they had found no cause to change their attitude.

There was nothing surprising in the consistency of Soviet policy. Russia was still sufficiently intimate with Turkey to wish to see her the sole *concierge* of the Black Sea. Moreover, the Soviet Government saw that the proposed conference would offer them an excellent opportunity to press for a revision of the Straits régime in a sense more favourable to themselves. More surprising was the complete *volte face* of Great Britain and France as compared with their attitude in the past three years. This was partly due, of course, to the disappearance of the objection that a Turkish remilitarization of the Straits would provide Germany with an excuse for similar action in the Rhineland.[3] But for Britain there was a more positive reason: the new balance of power in the Mediterranean of which the Italian success in Abyssinia was both a cause and a symptom, made it essential for Britain to find new allies and new *points d'appui* to re-establish her position in the Levant. To this new policy she had already given expression by entering into negotiations with the Egyptian Government for the conclusion of a new Anglo-Egyptian Treaty;[4] and the Turkish request gave her an excellent opportunity

consent. The abolition of Reparations and the premature evacuation of the Rhineland both fall under this heading.

[1] For the text see the *Journal des Nations*, 24th April, 1936.

[2] For the text see *Le Temps*, 19th April, 1936.

[3] Though it is to be observed that the German remilitarization of the Rhineland enhanced the importance of the Straits as a strategic route.

[4] See the present volume, Part V, section (i).

for rekindling an old flame and essaying what certain French newspapers described as 'a second Anglo-Turkish honeymoon'. She no doubt calculated, as the proceedings of the Montreux Conference were to show, that, provided her relations with her new friend could be rendered sufficiently intimate, Turkey could be weaned from that dominating influence of the U.S.S.R., the fear of which had in past years been one of the British Government's main reasons for refusing the Turkish request.

The French attitude, on the other hand, was mainly inspired by precisely the opposite consideration, namely the desire for an increase of Soviet influence in the Mediterranean which would enhance the value of the Franco-Soviet Pact; and this consideration was for the moment sufficiently important in French eyes to overcome the rooted objection to treaty revision of any kind which in the past had been France's reason for opposing the remilitarization of the Straits. In these differing motives which led the British and French Governments to the same conclusion lay the seeds of future trouble at the Montreux Conference.

Amongst the Balkan states which were Turkey's allies the acceptance of the Turkish request was less facile, and it is more than probable that there was a basis of fact underlying the rumours current at the time that Turkey's *démarche* had produced serious differences amongst the members of the Balkan Entente. Greece, though by no means disinterested in the matter, since a very large proportion of the ships of commerce passing annually[1] through the Straits flew the Greek flag, was as favourable as any to the Turkish demand. Her close friendship with Turkey since the signature of the Greco-Turkish Pact of 1930 caused her to regard any reinforcement of Turkish security as an addition to her own strength; and the Turkish remilitarization of the Straits zone would justify her in refortifying the islands of Lemnos and Samothrace which had been demilitarized under the same heading as the neighbouring Turkish islands by the Lausanne Convention.[2] The Jugoslav Government (which had never signed the Treaty of Lausanne) shared the opinion of the Greek Government that any reinforcement of the security of one member of the Balkan Entente would work to the advantage of the others.

[1] See the *Annual Reports* of the Straits Commission, especially those for 1933, 1934 and 1935.

[2] The islands of Lemnos and Samothrace were demilitarized by the Straits Convention contained in the Treaty of Lausanne. The Greek islands of Chios, Samos, Mytilene and Icaria were demilitarized under a different heading of the Treaty of Lausanne and were therefore not affected by the Turkish proposal.

It was from the two Balkan Powers which, as riverain states of the Black Sea, were most directly interested that the chief difficulties came. Neither of them was anxious to see the Black Sea converted into a Turco-Soviet lake, and both of them, for opposite reasons, made much of the question of treaty revision implied in the Turkish demand. Bulgaria on the one hand saw in it an opportunity to press her own claims for treaty revision in two fields. The one concerned the arms clauses of the Treaty of Neuilly, the proposed revision of which had never passed the stage of appearing on the agenda of various European Conferences.[1] The other concerned her right to an outlet on the Aegean Sea, which had been established in theory by Article 48 of the Treaty of Neuilly,[2] but never, in the Bulgarian view, satisfactorily implemented in practice by the Greek Government. Bulgaria now claimed that her need to obtain such an outlet would be all the greater since Turkey would have exclusive control of the Straits and she herself was not a member of the Balkan Entente. Here were further seeds of trouble; for although Greece might be, and indeed had been,[3] prepared to concede Bulgaria an economic outlet on the Aegean, it was certain that the Greeks and Turks would unite in refusing her the territorial corridor to which she now laid claim and to which, in their view, she had no legal right under the Treaty of Neuilly.

Rumania on the other hand—and her attitude was of special importance in view of her membership both of the Balkan and the Little Entente—viewed the Turkish proposal with suspicion, because she had more to lose than perhaps any other European state if once the principle of treaty revision should be set in motion. Moreover, she, too, had no outlet on the Aegean, and she had not forgotten the embarrassment which the Turkish blockade of the Straits had caused her during the General War of 1914–18. For the moment, however, she was on good terms with the U.S.S.R. and was the ally of Turkey, and she was therefore faced with the alternative of accepting treaty revision or forfeiting an ally.

It was in view of these difficulties that the Turkish Government decided to send Monsieur Numan Rifat Menemencioglu, the

[1] The Stresa Conference of April 1935 in particular. See the *Survey for 1935*, vol. i, p. 160.

[2] Article 48 of the Treaty of Neuilly runs: 'The Principal Allied and Associated Powers undertake to ensure the economic outlets of Bulgaria to the Aegean Sea. . . . The conditions of this guarantee will be fixed at a later date.'

[3] For details of the discussion on this clause at the time of the negotiation of the Treaty of Neuilly, and of the offers made by the Greek Government to Bulgaria in fulfilment of it, see *H.P.C.*, vol. iv, p. 458.

permanent secretary of the Turkish Foreign Office, on a tour of the Balkan capitals, to expound the Turkish case and answer objections. These personal contacts were particularly necessary in view of the forthcoming meeting of the Permanent Council of the Balkan Entente at Belgrade on the 4th May, for, although the Turkish proposal was not on the agenda of that meeting, there was no doubt that it would form one of the principal topics of discussion in the corridors. During the latter part of April Monsieur Menemencioglu visited Athens, Belgrade, Sofia and Bucarest on his way to Moscow; and during his tour he seems to have assuaged the principal doubts of his colleagues, no doubt by playing on the threat afforded to their countries by Italian preponderance in the Eastern Mediterranean. Bulgaria, who had already given her verbal consent, had sent a written reply by the 24th April; and favourable replies were also handed to the Turkish Government by Greece on the 22nd April, by Jugoslavia on the 28th, and by Rumania on the 29th. The Rumanian note was conceived in the following terms:

> The Rumanian Government, in view of the fact that Turkey has never questioned the territorial clauses of the treaties in so far as they affect Rumania; in view of the Rumanian-Turkish Treaty of Non-Aggression signed in London on the 3rd and 4th July, 1933 . . .; in view of the feelings of mutual confidence existing between Rumania and Turkey . . . in virtue of the Balkan Pact, accepts the Turkish invitation to enter negotiations for the revision of the Lausanne Convention.

These notes were followed up by a joint declaration of the Balkan Entente Powers made at the close of their meeting at Belgrade on the 4th May, to the effect that these Powers agreed to support the Turkish request on condition that Turkey should always consult them before closing the Straits in time of war, and that they should thereupon meet to decide on the common measures to be taken by them in view of such action by Turkey.

Meanwhile Japan, whose withdrawal from her European engagements had been one of the justifications for Turkey's *démarche*, had also notified her acceptance in principle of the Turkish request; and of the signatories of the Lausanne Convention Italy alone maintained a complete reserve as to her attitude, the only hint of her policy in the matter being a comment in the officially inspired Italian press to the effect that the Straits Question was one which affected the situation in the Mediterranean as a whole and not merely the security of Turkey.

This Italian reserve was as natural as it was embarrassing. It was natural because the sanctions imposed on her by some fifty states

(including Turkey and all but one of the other signatories of Lausanne) and the subsidiary Mediterranean naval arrangements concluded between Great Britain, France, Turkey, Greece and Jugoslavia[1] were still in force. She knew that the Turkish desire for the remilitarization of the Straits was largely inspired by fear of herself, and she was inclined to suspect that the readiness of Great Britain and other states, in reversal of their earlier policy, to satisfy the Turkish desire was dictated by the hope of drawing Turkey into the British camp against Italy, and was therefore in the nature of a continuation of Great Britain's sanctionist policy. Moreover, Italy no doubt thought that by refusing to commit herself at this early stage she could keep in hand a valuable bargaining weapon for obtaining the abrogation of sanctions and of the Mediterranean naval arrangements and even perhaps the recognition of her unilaterally proclaimed empire in Ethiopia.[2]

The Italian attitude was embarrassing for the obvious general reason that, Italy being one of the signatories of the Lausanne Convention, no revision of that convention could be fully valid without her adherence; but also for the particular reason that for some years past Italy had headed the list of mercantile tonnage passing annually through the Straits (even outstripping Great Britain),[3] so that her non-adhesion could not be disregarded as a mere juridical fly in the ointment of the new convention. The embarrassment was somewhat relieved, however, by hints from the Italian press, destined to be belied in the event, that Italian participation might eventually be obtained after the raising of sanctions at the meeting of the League Council in June.

Meanwhile the press of the non-signatory Powers had also given signs of favourable reaction to the Turkish request. Germany, whose interest in the matter was considerable in virtue both of her new status as a naval Power and of her increasing use of the Danube as an economic outlet, applauded Turkey's move as being a continuation of her own policy in rejecting 'certain ideas of security'. At the same time she expressed annoyance that the U.S.S.R. should give such whole-hearted support to the Turkish claim after having so recently met a similar claim on the part of Germany with outright condemnation. Hungary greeted with approval Turkey's emphasis on 'the failure of the Powers to disarm' and saw in the Turkish move a useful precedent for treaty revision, while other non-signatory Powers

[1] See the *Survey for 1935*, vol. ii, pp. 249–71. [2] See *op. cit.*, p. 358.
[3] It is worth notice that approximately half the Italian supply of oil came through the Straits from Rumania.

applauded the method which Turkey had adopted for obtaining that revision.

Turkish diplomacy, in fact, had succeeded in winning the support both of the revisionist Powers because of the end which Turkey sought and of the anti-revisionist Powers because of the means by which she sought it. By the end of April she had received written acceptance of her request for a Conference from all the Powers signatory of the Treaty of Lausanne, with the single exception of Italy, and the moral consent of such non-signatory Powers as were indirectly interested. She had therefore now only to fix a suitable time and place for the forthcoming Conference. As to the rapid and successful conclusion of the Conference she had no reason at this stage to feel any doubt. For the moment the wider issues which were later to bring the Conference to the verge of disaster remained unseen in the background.

The original Turkish note had requested that a Conference should be called at the earliest possible date. This request had been accepted in principle by the Powers, in particular the British Government; and during the latter part of April persistent rumours[1] that, on the receipt of the British assent, the Turkish Government had begun to refortify the Straits there and then, and had put out contracts to the firm of Krupp to that end, came as a sharp reminder to the Powers that the Turkish General Staff were in a hurry. On the other hand, the desire of the Powers to secure the participation of Italy made it advisable to postpone the meeting of the Conference until after the meeting of the Council at the end of June, which, by raising sanctions, would remove what was thought to be the main obstacle to Italian co-operation. It was finally decided, by way of compromise, that the Conference should begin on the 22nd June, four days before the Council meeting, should resolve itself into committees during the sessions of the Council and Assembly at Geneva, and should resume its plenary meetings after the termination of those sessions at the beginning of July, by which time it was hoped that an Italian delegation would be present. As to the place of meeting, while both Geneva itself and Lausanne were excluded, owing in the former case to Japanese susceptibilities and in the latter case to Russian,[2] it was felt that a town should be selected as near Geneva as possible, and the choice finally fell on Montreux.

[1] These rumours were emphatically denied at the time by the Turkish Government, and ultimately turned out to have been based on a false report by the Greek military *attaché* at Angora.

[2] For the incident which gave rise to the Russian objections to Lausanne, see the *Survey for 1924*, pp. 258–9.

(e) The Montreux Conference (22nd June–20th July, 1936)[1]

The representatives of all the signatory Powers of the Lausanne Treaty, with the exception of Italy, arrived at Montreux together with their military, naval and legal experts a day or two before the opening of the Conference. The chief delegates of their respective Governments were Mr. Bruce (Australia), Dr. Nicolaev (Bulgaria), Monsieur Paul-Boncour (France), Lord Stanhope (Great Britain), Monsieur Politis (Greece), Mr. Sato (Japan), Monsieur Titulescu (Rumania), Monsieur Litvinov (U.S.S.R.), Monsieur Rüstü Aras (Turkey) and Monsieur Subotić (Jugoslavia). Letters were subsequently received from the Governments of India, South Africa, New Zealand, the Irish Free State and Canada, announcing that they did not intend to send delegates to the Conference, but that they would accept its conclusions.

The formal opening of the Conference took place in the Salle des Fêtes of the Montreux Palace Hotel on the afternoon of the 22nd June under the presidency of Monsieur Motta, who welcomed the delegates on behalf of the Swiss Government. The business of this session was confined to the election of officers, the nomination of technical and drafting committees, and the formal speeches of the principal delegates. Mr. Bruce, whose Government were, among those represented at the Conference, the least directly concerned in the Straits Question, was elected President; Monsieur Politis was elected Vice-President, and Monsieur Aghnides, of the League Secretariat, Secretary-General.

Monsieur Motta, in the opening speech, declared his appreciation of the method which the Turkish Government had decided to employ in seeking revision of the Lausanne Convention, and this appreciation was re-echoed in all the speeches that followed. Monsieur Titulescu, the Rumanian delegate, improved the occasion by giving a discourse on the principles of treaty revision, in which he was at pains to make a sharp distinction between territorial and non-territorial revision. The former kind, he said, would always be unconditionally opposed by his Government; the latter kind, of which the abolition of the Reparations clauses of the Versailles Treaty was one example, and the Turkish request was another, should, in his opinion, be regarded with favour by the European Powers. Dr. Nicolaev, when his turn came to speak on behalf of Bulgaria, took the opportunity afforded by Monsieur Titulescu's remarks to remind his colleagues that there were other Powers besides Turkey still suffering under the military

[1] For a detailed official report of the proceedings of the Montreux Conference, see the *Actes de la Conférence de Montreux* (Paris, 1936, Pedone).

inequalities imposed by the Peace Treaties, and to suggest that the Turkish action would provide a useful precedent for the adjustment of these inequalities.

The subsequent history of the Conference falls into two main periods. The first was taken up with the discussion of a Turkish draft convention which had been prepared before the Conference, circulated to delegates before the opening session, and unanimously adopted as the basis for discussion. The first reading of this draft was completed by the 25th June. The plenary meetings of the Conference were then adjourned in order to allow the chief delegates to attend the Council and Assembly meetings at Geneva, while the drafting and technical committees continued in session in order to examine points of detail arising from the plenary sessions. The second period began with the resumption of plenary sessions on the 6th July and the examination of a new draft prepared by the British delegation. It was on the basis of the British draft, with various important amendments, that an agreed text was finally evolved on the 18th July. All sessions of the Conference, with the exception of the first, were held in private; and it is hardly necessary to add that, as on all similar occasions, the main work was done in the corridors, which offered exceptional attractions in the early stages of the Conference in view of the forthcoming meetings at Geneva.

The chief provisions of the Turkish draft, with which the Conference began work on the morning of the 23rd June, were as follows:[1]

The preamble expressed the desire of the Turkish Government to 'regulate the passage and navigation of the Straits in such a way as to safeguard international commerce within the framework of the security of Turkey'. There was no mention, that is to say, of the principle of the freedom of the Straits which had been the main feature of the Straits clauses of the Treaties of Sèvres and Lausanne.[2] Its place was taken by an insistence on the security of Turkey which had not appeared in the Lausanne text. Articles 3–9 of the Lausanne text, which provided for the demilitarization of the Straits zone, Articles 10–16, which dealt with the composition and functions of the International Commission, and Article 18, which provided guarantees for the freedom of the Straits, were entirely omitted in the Turkish draft.

[1] For the full text of the Turkish draft see *op. cit.*, Annex I, pp. 285–7. See also the *Journal des Nations*, 23rd June, 1936. The text of the Montreux Convention will be found in *Documents on International Affairs, 1936*, pp. 648–67.

[2] Article 37 of the Treaty of Sèvres; Article 23 of the Treaty of Lausanne; Preamble and Article 1 of the Straits Convention.

The provisions for ships of commerce, which were treated in the Lausanne text under § 1 of the Annex to Article 2, were embodied in the Turkish draft as Section I, Articles 2–5. Here no important innovations were established for the passage of ships of commerce in time of peace. The chief differences lay in the provisions for the passage of vessels in case of war. The article (Art. 3) of the Turkish draft which dealt with the rights of ships of commerce in a war in which Turkey should be neutral contained a paragraph affirming that those rights should be conditioned by Turkey's obligations under the Covenant. This stipulation (which was repeated in the section relating to warships) stood in the Lausanne text by itself near the end of the Convention. The purpose of inserting it in the new draft under the heading of commercial ships as well as of warships was presumably, in view of the recent experience of the application of sanctions against Italy, to avoid any doubts as to its application to the commercial shipping of a declared aggressor.

The second main difference under the heading of commercial vessels was the requirement in the Turkish draft that, in case of a war in which Turkey should be belligerent, neutral ships should only pass by day along a route indicated by the Turkish authorities.

It was under Section II (Articles 6–10),[1] which dealt with warships, that the principal innovations appeared. These were as follows:

(i) In time of peace (Article 6 of the Turkish draft), warships were only to pass by day (not day or night); they might pass only for the purpose of paying courtesy visits, and were required to give one month's notice of their intention to do so. The maximum force permitted to pass the Straits at any one time was to be limited to 14,000 tons, with the proviso that riverain states of the Black Sea might, with the special permission of the Turkish Government, send through the Straits ships 'of their existing fleets'[2] up to a maximum tonnage of 25,000 tons, on condition that they should pass the Straits singly. (None of these limitations had existed under the Lausanne Convention.) Further, the total tonnage of all non-riverain fleets which might assemble at any one time in the Black Sea was not to exceed

[1] Article 2, Annex, § 2, of the Lausanne Convention.

[2] The phrase 'of their existing fleets' appears to have been deliberately ambiguous. The clause relating to the passage of riverain warships up to 25,000 tons was inserted as a result of Soviet pressure, and was intended by the Soviet Government to refer to any vessels (i.e. including those which riverain Powers might build in the future). The Turks, by inserting the phrase 'of their existing fleets', hoped to limit the application of the clause to the old Soviet battleship, the *Paris Commune*, the only warship belonging to a riverain Power at that time whose tonnage approximated to the maximum of 25,000 tons.

28,000 tons, whereas under the Lausanne arrangement any one non-riverain Power might send into the Black Sea a fleet equal in size to that of the largest riverain Power (i.e. Russia); and no warship belonging to a non-riverain Power might remain in the Black Sea for more than fifteen days.

(ii) In time of war, Turkey being neutral (Article 7 of the Turkish draft), the same provisions were to apply as in peace time, subject to the condition that no warship was to be permitted to commit any act of hostility within the Straits zone, and that Turkey's obligations under the Covenant of the League should not be affected.[1]

(iii) In time of war, Turkey being belligerent (Article 8), no warship of any Power might pass the Straits without obtaining the special permission of the Turkish Government. (By the Lausanne Convention neutral warships were allowed to pass the Straits on their own responsibility even in a war in which Turkey was belligerent.)

Article 9 added a further provision, which did not appear in the Lausanne Convention, to the effect that in a case in which Turkey considered herself faced with a general or special threat of war she should have the right to apply the provisions of Article 8, on informing the signatories of the Convention and the Secretary-General of the League of Nations of her intention to do so.

The passage of submarines through the Straits, which had been permitted by the Lausanne Convention, provided that it was made on the surface, was entirely forbidden by the Turkish draft; while civil and military aircraft, which had been allowed by the Lausanne Convention (Article 2, Annex, § 3) to fly over a certain zone of the Straits, was also to be excluded from the Straits by the new draft and to be required to fly along another route indicated by the Turkish authorities (Section III).

Finally, the new Convention, which was to be understood (Article 12) as in no way derogating from Turkish sovereignty over the Straits, was to last for fifteen years, subject to such modification as might be proposed and approved by the signatories at the end of each five-year period (Article 13).

In this draft there are two main points worthy of notice. The first is that, as might be expected, Turkey's security and the strategic strength of her position would be enormously enhanced. The powers of supervision hitherto exercised by the International Commission would revert to Turkey herself; the threat to the security of Con-

[1] Cf. Article 3, by which the provisions relating to commercial vessels in a war in which Turkey should be neutral were similarly conditioned by Turkey's obligations under the Covenant.

stantinople and the Straits zone would be removed not only by the remilitarization and refortification of the Straits zone but also by the new and severe limitations imposed on the size of naval units allowed to pass at any one time through the Straits.[1] Moreover, the unconditional control of the Straits which Turkey would have in time of war, together with the power which she would in effect obtain in virtue of Article 9 (threat of war) to tip the scales in favour of one set of belligerents, would make her friendship highly desirable to non-riverain Powers and virtually essential to riverain Powers in time of war.

The second point worthy of notice is that the terms of the new draft were highly favourable to the U.S.S.R. For whereas the total tonnage which non-riverain Powers might send into the Black Sea was drastically curtailed, and there was no longer any provision, as there had been in the Lausanne Convention, allowing for its automatic increase in case of an increase in the size of Russia's Black Sea fleet, the only new limit imposed on the egress of the Soviet fleet from the Black Sea (which had, of course, been completely free under the Lausanne Convention) was one of the size and form of the units actually passing the Straits at any one time and not of the total tonnage which Russia might eventually accumulate in the Mediterranean. The Soviet fleet, in other words, would now obtain a preponderant position within the Black Sea without sacrificing its potential influence in the Mediterranean, and in case of war would be able to attack a hostile fleet in the Mediterranean and then retire into the Black Sea without risk of effective pursuit. This, together with the fact that Turkey might give permission to any fleet of any size to pass the Straits during a war in which she herself was belligerent, meant that, so long as Turco-Soviet relations continued to be as good as they had been in the past, the position of Soviet Russia would be greatly strengthened.

These two points are highly significant, in view of the fact that the preliminary negotiations between Turkey and the interested Powers were concerned exclusively with Turkey's claim to remilitarize the Straits. There was originally no question of modifying the remaining clauses of the Lausanne Convention, whether to Turkey's advantage or to Russia's, and no indication that the Montreux Conference would be called upon to deal with such modifications. Indeed it

[1] These limitations were so calculated that, except in the case of the special provision relating to the passage of riverain warships, there would never be a naval force in the Straits whose total tonnage exceeded one-half of that of the effective Turkish fleet.

appears that in the course of their conversations with Monsieur Aras in the preceding May the British Government had received explicit assurances that, the Turkish Government being exclusively concerned with the question of remilitarization, the only modifications which they would propose for the remaining clauses of the Lausanne Convention would be those which were necessarily entailed by the abolition of the demilitarization clauses, and that these would be made on a basis of strict reciprocity as between Black Sea and non-Black Sea Powers. The further modifications to which attention has just been drawn satisfied neither of these conditions; their inclusion in the Turkish draft therefore suggests that, in the interval between Monsieur Aras's conversations with the British Government in May and the beginning of the Montreux Conference in June, the Turks had been led to make a substantial change in their policy.

The explanation of this change lay in the fact that in their negotiations with Turkey the British Government had left out of their reckonings a new and important factor in the Straits Question, namely Soviet Russia. At the time of the Lausanne Conference the Soviet Government had still been too weak to insist on a due consideration of their interests in the Straits Question, and could do no more than show their disapproval of the Lausanne Convention by refusing to ratify the treaty which embodied it. In the thirteen years which had since elapsed, their military and diplomatic strength had enormously increased, and in view of this fact they had no intention of playing at Montreux the rôle of passive resisters which they had been forced to play at Lausanne. They therefore brought pressure to bear on the Turkish Government during the interval between the despatch of the Turkish note and the beginning of the Montreux Conference with the object of persuading them to put forward the new modifications in question; and it is more than probable that the draft which the Turks prepared for the beginning of the Conference was the result of Turco-Soviet collaboration. The British delegation had no hint of what this draft contained until they arrived at Montreux, and they then had no alternative but to accept it as a basis of discussion. By rejecting it they might well have forced the Turks to resort to a *fait accompli*.

The result was that the British delegation were put at the start in a weak position; and that the discussions at Montreux, which every one had expected to be of a purely technical nature and to come to a rapid conclusion, were extended to fundamental questions of naval strategy and power politics, continued for several weeks, and on more than one occasion reached the verge of breakdown. It was

perhaps only the fact that the Turks had already obtained unanimous consent to their request for remilitarization, and were therefore in a position, whenever controversy on the wider issues produced a deadlock between the major Powers, to force a solution by threatening to proceed with remilitarization forthwith, which ensured the ultimate success of the Conference.

The wider issues, however, did not arise at once. The first day of the Conference was devoted to discussing a question of less fundamental but equally great practical importance—namely the question of the sanitary and other dues levied on ships of commerce passing through the Straits. In this matter the British delegation objected to the Turkish proposals on two grounds: in the first place because they required that these dues should be paid even by ships not calling at a Turkish port; and in the second place because they offered no guarantee that the dues paid by ships calling at port, which had already been increased above the level laid down in the Lausanne Convention, would not be still further increased by the Turkish authorities in the future. These charges had long been regarded as excessive, but attempts to revise them had always been opposed by the Turkish President of the International Commission which administered them. The British delegation's objections therefore received the support of all those Powers which had interests in the commercial shipping passing through the Straits, and which resented the charges as constituting a specially heavy tax on their commerce at that time of economic depression. The British delegation also objected—though in this matter they were almost alone in their protests—to the abolition of the International Commission of the Straits, not on the grounds that it had exercised in the past or was likely to exercise in the future any effective control over Turkish administration of the Straits, but simply on the grounds that it provided a visible symbol of the principle that the Straits constituted an international water-way, and that its abolition might provide a precedent for the abolition of similar international bodies elsewhere.

It was during the discussion of the section concerning warships and auxiliaries that fundamental questions of naval strategy and therefore important divergences between the points of view of the Great Powers began to appear. These divergences resolved themselves, as might be expected from what has already been said, into a duel between the British and the Soviet delegations, with France and the Balkan Entente Powers playing seconds to Russia; and although the chief matter in dispute, namely the provisions to be laid down for warships in a war in which Turkey would be neutral, was largely an

academic one—for in fact Turkey would control the Straits in wartime whatever the Powers might decide, and the hypothesis of Turkish neutrality was a most improbable one—it produced a series of deadlocks which all but brought the Conference to grief.

The British point of view, as put forward by Lord Stanhope in the first part of the Conference, was that the terms of the Turkish draft were far too favourable to Russia; they would have the effect of converting the Black Sea into a Russian lake and at the same time of allowing the Russian fleet out through the Straits in such a way as to upset the balance of power in the Mediterranean. Lord Stanhope claimed that the warships of non-riverain Powers should have unlimited right of entry into the Black Sea, on the principle that it constituted a part of the High Seas; or at any rate that if, in view of the security of Black Sea Powers, such unlimited right of entry could not be conceded, then the Black Sea Powers must, on the principle of reciprocity, accept limitations on the egress of their fleets into the Mediterranean similar to those imposed on the entry of non-riverain fleets into the Black Sea.

These arguments give certain indications of the position which Great Britain was adopting in the light of the new situation in the Mediterranean. Any one who had been misled by British refortification of the Cape into supposing that she intended to abandon her position in the Mediterranean must already have been undeceived by Mr. Eden's announcement in the House of Commons at Westminster on the 18th June that the strength of the British Mediterranean fleet would be permanently increased in the future. This step by itself, however, would not be enough, in face of the increase of Italy's strength in the Levant since the conquest of Abyssinia, to re-establish that British preponderance in the Eastern Mediterranean which was vital to Great Britain for the control of her oil-supplies from 'Irāq as well as of her communications with India; she was therefore compelled, in view of the failure of the League and pending a general settlement in the Mediterranean, to look round for new friends in that sea.

She might well have taken the opportunity offered by the Montreux Conference to throw in her lot with the united front formed by France, Soviet Russia, and the Balkan and Little Ententes, but it became perfectly clear during the Conference that this was not her intention —partly no doubt because of her anxiety to avoid dividing Europe into two camps, but partly, too, owing to a lurking mistrust of the future intentions of a rapidly arming Soviet Russia.[1] She seems to

[1] See below, p. 633.

have decided instead to return to her nineteenth-century policy of close collaboration with Turkey—a policy which would now have the new justification that Turkey had within the last few years become the most heavily armed of the East European states. In view of this policy it became the British aim on the one hand to wean Turkey from that close reliance on Moscow which had made her the obedient *concierge* of the southern gates of Russia, and on the other hand either to obstruct or to obtain compensation for the permission which Russia sought for her fleet to emerge into the Mediterranean. It was this latter purpose which underlay Lord Stanhope's claim that, in order that the principle of reciprocity should be preserved and the balance of power in the Mediterranean should not be upset, the Straits should either be equally open or equally closed for all.

There was, however, another reason underlying the British objections to a revision of the Straits régime in a sense more favourable to Soviet Russia. Granted that Great Britain was not prepared to align herself once and for all with the Franco-Soviet bloc, and if, as the British Government hoped, the Convention which resulted from the Conference was to be a durable one, it was essential to draw up an instrument which would not be displeasing to certain Powers not represented at the Conference. When Lord Stanhope said that he wanted a Convention which 'won't cause any trouble', he had primarily in mind the Anglo-German Naval Agreement, signed in the June of the previous year,[1] which was known to be regarded as a highly satisfactory instrument by the British Admiralty. This agreement provided that German naval strength should in no circumstances exceed thirty-five per cent. of British naval strength. But it also contained an 'escape' clause which provided that 'if the general equilibrium of naval armaments should be violently upset by abnormal and exceptional building on the part of some third Power, the German Government reserve the right to invite H.M. Government of the United Kingdom to examine the new situation thus created'. Germany, it must be remembered, was at this time on terms with the Soviet Government which were far from friendly. The British Government feared that the new Russian naval construction in the Black Sea, which would undoubtedly be encouraged if the terms of the Turkish draft were adopted, would give the German Government an excuse for invoking the escape clause of the Anglo-German naval agreement,[2] and might in addition put an end to all hopes which

[1] See the *Survey for 1935*, vol. i, pp. 178–93.

[2] It is not clear how far these fears were justified. It is true that rumours were current at the end of June that the German Government intended to

the British Admiralty at that time entertained of concluding a tripartite Anglo-German-Russian agreement[1] on the limitation of naval armaments. Such a state of affairs might well provide the occasion for a general race in naval armaments of a kind which would scarcely be congenial to the British Admiralty.

Such were the main motives underlying British policy at Montreux. The policy which Monsieur Litvinov put forward in opposition to it was based on the claim that the position of Soviet Russia in the Black Sea was peculiar, for two reasons: in the first place she had, in virtue of her geographical position, special interests in the Black Sea such as the non-riverain Powers had not; and in the second place she had coasts in other parts of the world, and a sudden threat of war might necessitate the immediate transfer of her Black Sea fleet to the Baltic or the Pacific. But there was another consideration about which Monsieur Litvinov was less explicit. It was vital for Russia, in view of a prospective naval armaments race, to find a safe dockyard for naval construction. Her Baltic yards were open to attack by sea and air from Germany, and were in any case ice-bound in winter, while Vladivostok was within reach of attack from Japan; Odessa was therefore the site that was indicated, but a fleet built at Odessa would be useless unless it could be transferred through the Straits to Russia's Baltic and Pacific ports. Hence in part the necessity from the Russian point of view that Turkey should be friendly and that the Straits should remain wide open to all Russian warships of whatever size, but as near shut as possible to the warships of non-riverain Powers. To the British claim that equal treatment should be given to all, Monsieur Litvinov answered that Russia's insistence on her special privileges in the Straits was based on the principles of the Lausanne Convention, which accorded her complete freedom of egress into the Mediterranean while putting limitations on the entry of non-riverain fleets into the Black Sea—a contention to which the British delegation might and did retort that in fact those principles were invalidated by the rigidity of the new limitations imposed by the Turkish draft on the entry of non-riverain fleets.

invoke the escape clause. But these rumours proved to be groundless; and the Germans could hardly have claimed at this stage that 'the general equilibrium of naval armaments' had been '*violently* upset'. In any case the German Government could do no more than 'invite H.M. Government to examine the new situation'.

[1] These hopes were ultimately fulfilled by the signature on the 17th July, 1937, of two bilateral treaties, between Great Britain and Germany on the one hand, and Great Britain and Soviet Russia on the other, which in effect secured the adherence of Germany and Russia to the London Naval Treaty of 1936. See pp. 113–16, above.

But if Russia was principally concerned with the question of her own security in the Black Sea, she was also concerned with another factor in her security system, namely her membership of the League of Nations, and, in particular, her alliance with France, without which she might once again find herself in the dangerous position of isolation which she had learnt to dread in the years immediately after the War of 1914–18. Her concern in this matter led her to insist that the new Convention should not in any way hinder the working either of the League Covenant or of the Franco-Soviet Pact which was supposed to supplement it. On this point Monsieur Litvinov had the full support of the French, who were concerned not only for the Franco-Soviet Pact but also for their treaty with Rumania—a country which, besides being the chief source of French petroleum supplies in time of war, constituted an indispensable factor in the French alliance system east of the Alps, inasmuch as she was the anti-revisionist Power *par excellence* and a member both of the Balkan and of the Little Entente. For the same reason Monsieur Titulescu, the principal Rumanian delegate, ardently upheld the Franco-Soviet thesis, though there were signs that in this policy he had not the full support of the Government at Bucarest.[1]

The main points of Russian policy in this matter were embodied in an amendment proposed by Monsieur Litvinov for Article 7 of the Turkish draft (the case of war, Turkey being neutral), which was worded as follows:

> (i) In case of a war in which none of the riverain Powers of the Black Sea is belligerent, the warships of belligerent Powers shall be forbidden to pass the Straits.
>
> (ii) If a riverain Power of the Black Sea (other than Turkey) be belligerent, the warships of belligerent Powers which are not riverain of the Black Sea shall be forbidden to pass the Straits.
>
> (iii) The dispositions of this article shall not be taken to interfere with the rights of warships of whatever Power to pass the Straits for the execution of engagements under the Covenant of the League or under regional pacts concluded within the framework of the Covenant, nor of the warships of the Power to whom that assistance is due.

This amendment, if adopted, would have provided an even more effective guarantee of Russian security in the Black Sea in case of war, whether Russia were belligerent or not; and would at the same time have ensured the effective working in case of war both of the

[1] See p. 635, below, footnote. A reaffirmation of Franco-Rumanian solidarity made in the Rumanian press on the 19th June suggested that that solidarity needed reaffirming. For Rumanian policy in 1936 and the fall of Monsieur Titulescu, see pp. 5, 502 *seqq.*, 516 *seqq*, above.

Franco-Soviet Pact and of the Franco-Rumanian Treaty, as well as of the Covenant as a whole. For this reason it received the full support of both the French and the Rumanian delegation; and, as a yet further assurance of the efficacy of France's pacts with her two Black Sea friends, Monsieur Paul-Boncour added another amendment to the effect that 'warships and auxiliaries' should be so defined in the Convention as to exclude transport vessels carrying inflammable liquids. The purpose of this amendment was to exempt vessels bringing petroleum to France from the Russian and Rumanian oil-fields from the strict limitations imposed by the Turkish draft on the passage of warships, and thus to guarantee to France an adequate supply of petroleum even in time of war.

Of the remaining delegations, the Greeks were principally concerned with their commercial shipping interests; but in the discussion on warships they and the Jugoslavs, as members of the Balkan Entente, stood in line with the Franco-Soviet bloc; and so, on the whole, did the Bulgarians, for whom the Conference became the occasion of a *rapprochement* with their Balkan neighbours. The Japanese, basing their attitude on the conclusions of a conference of naval experts held at Tokyo on the 24th June, were alone in supporting the British thesis that the Turkish draft was too favourable to Russia. Remembering, no doubt, the advantages which the closing of the Straits had given them against Russia at the battle of Tsushima in 1905,[1] they wished to prevent the Russians from being able to transfer their fleet freely from the Black Sea to the Pacific. Apart from this they were mainly concerned with safeguarding their rights as a non-member state of the League.

Meanwhile the Turks, having already obtained recognition of their chief claim, were principally concerned to bring the Conference to a rapid conclusion, and awaited with impatience the settlement of the Anglo-Soviet controversy. Their impatience was indicated by a clause which they had inserted into their original draft, providing that the new convention should come into force as from the date of its signature. When this clause came up for discussion, however, it was pointed out that from the legal point of view it was most unusual for an international convention to come into force until it had been ratified by the proper authorities; and the Turks were eventually persuaded to accept a compromise on this point in the form of a protocol which gave them the right, as from the date of signature,

[1] During the Russo-Japanese war. The Russians had not dared to violate the Straits Convention of 1871 (Treaty of London) and had therefore been unable to send their Black Sea fleet to the Pacific.

to proceed with the refortification of the Straits and to apply, if necessary, the provisions which they were entitled by the text of the draft convention to enforce in case of imminent threat of war. This protocol, which was drafted in the later stages of the Conference, was embodied in the final convention, and would no doubt have received the assent of the Powers even if the Conference had failed to reach agreement on any other point.

Such were the positions of the various delegations at the end of the first period of the Conference. On the 25th June the discussion of the main issues raised by the Turkish draft was postponed and the plenary sessions of the Conference were adjourned while the chief delegates left to attend the League meetings at Geneva, or returned home to obtain fresh instructions from their Governments.

The situation was further complicated at this stage by the attitude of Italy. At the time of the opening of the Conference it had been announced from Rome that the Italian Government regarded the occasion of the Conference as 'inopportune', but would be prepared to send a delegation 'when the situation had been cleared', that is to say, by the raising of sanctions. This announcement was followed by an interview between Count Ciano, the Italian Foreign Minister, and the Turkish Ambassador in Rome, in the course of which the Italian expressed strong objections to the Turkish desire for re-militarization of the Straits, while the Turk pointed out that Italy had an interest in co-operating with Turkey and the Balkan Powers in order to check the increase of German influence in South-Eastern Europe.[1] Count Ciano, perhaps with ideas of the Rome-Berlin axis already in his mind,[2] does not seem to have been impressed by this argument, for on the following day the inspired Italian press launched a violent attack on the Montreux Conference, in the course of which it pointed out that the granting of the Turkish request for re-militarization would be a backward step in international relations, complained that the Conference was simply a continuation of British sanctionist policy against Italy, and made it clear that Italy was not

[1] Dr. Schacht had at this time just completed his tour of the South-East European capitals. See Part III, section (iv) (*d*).

[2] An Italo-German Air Convention was signed on the 26th June (see p. 580, above). One of its provisions was the assignment by Italy to Germany of a commercial airport in the Dodecanese. The Italian *rapprochement* with Germany, of which this convention was one of the outward signs, and which is dealt with in another chapter (Part III, section (vii)), was itself due in part to Italy's annoyance at the comparative success of the Montreux Conference and to her suspicion that Great Britain was not averse from an increase of Soviet influence in the Mediterranean to counterbalance that of Italy.

prepared to go to Montreux in order to say 'amen' to its decisions. This attitude deeply shocked Turkish public opinion and evoked from the official Turkish press the retort that 'the discussion of questions vital to other nations cannot be postponed to suit the convenience of Italy'. Subsequently (on the 24th June) the Italian press began to make it clear that Italy would not consider the raising of sanctions as a sufficient concession to obtain her renewed co-operation in the affairs of Europe and therefore her attendance at the Montreux Conference; and it proceeded to point out that in any case the raising of sanctions would put an end to the 'uneasy situation in the Mediterranean' which was Turkey's chief pretext for remilitarizing the Straits. The 'judicial errors of Geneva' constituted by the failure to remove the name of Abyssinia from the list of League members were still uncorrected, and although economic sanctions might be removed, the military and political sanctions implied in the reinforcement of the British fleet in the Mediterranean and the continuation of the Mediterranean naval arrangements between Great Britain, France, Greece, Jugoslavia and Turkey would still be in force. The removal of these was now made by the Italian press the condition of Italian attendance at Montreux; and it was even hinted that the recognition by the League Powers of the Italian Empire in Ethiopia might be demanded in return for Italy's effective co-operation. Without that co-operation, the Italian press maintained, the new convention would be completely valueless, since Italy was now both the most important Mediterranean Power and the principal user of the Straits for purposes of commercial transit.

The reason for this stiffening of the attitude of Italy was no doubt her annoyance at the unanimous approval which the Turkish demand for the remilitarization of the Straits had obtained at Montreux, and the evident strength of the Franco-Soviet-Balkan Entente front, which would inevitably put a spoke in the wheel of her own hegemony in the Eastern Mediterranean; and she may even have hoped that by withholding her consent to the Turkish request she might succeed, as the Turkish press had already hinted, in driving the good boy of Europe into the bad company of treaty-breakers and thereby putting an end to her own moral isolation. There were still hopes, however, right up to the time of the League Council meeting, that the raising of sanctions would, in spite of Italian threats, bring Italy to Montreux. These hopes were encouraged by the knowledge that a suite of rooms had been provisionally booked by the Italian Government at the Montreux Palace Hotel; and they were not finally abandoned until the 5th July, when it was definitely announced that Italy could

not attend any European Conference until the Mediterranean naval arrangements were liquidated.

But if Italy had hoped that her non-participation at Montreux would prove to be an effective boycott she was mistaken. Members of the Conference were merely stimulated by the Italian attitude to feelings of increased hostility towards Italy, and remained unanimous in their determination to proceed with their business in spite of her absence. They felt that, provided that the Conference succeeded in reaching a unanimous conclusion without Italy, the Italian Government would be forced in the long run to adhere to it. It was only regarded as unfortunate, particularly by the British delegation, that the absence of Italy excluded the discussion at Montreux of a new Mediterranean agreement including Italy, which would finally liquidate the effects of the Abyssinian affair and re-establish a normal situation in the Mediterranean.

Meanwhile the meetings at Geneva afforded a good opportunity for attempting to resolve the conflict between the British and Soviet points of view. On the 27th June Monsieur Litvinov and Monsieur Paul-Boncour had an informal discussion with Mr. Eden, who had come to Geneva to attend the League Council. In the course of this discussion a compromise was reached in principle, the details of which were to be worked out when the plenary sessions of the Conference were resumed on the 5th July. The essence of it was the introduction of an 'escalator' clause, providing that if the Russian Black Sea fleet should as a result of new construction come to exceed a certain total tonnage, the upper limit imposed on the fleets of non-riverain Powers allowed to enter the Black Sea should be increased *pari passu* with the increase in the Soviet fleet.

This compromise, which was in accordance with the principle laid down by the Lausanne Convention that the tonnage of non-riverain fleets allowed into the Black Sea should be a function of the size of the largest riverain fleet, might well have led to an early conclusion of the Conference, if it had been the only concession which the British delegation demanded of Soviet Russia. But the British delegation had also made use of the adjournment of the Conference to work out, on the basis of the Turkish draft, a new draft convention which, besides including the points on which agreement had already been reached in the earlier part of the Conference, and the results of the conversation between Mr. Eden and Monsieur Litvinov, contained a number of new points which the British delegation had hitherto been unable to put forward owing to the circumstances in which the Conference had begun. These points proved to be so disagreeable to

the Soviet delegation that they rendered even more acute the conflict which the Eden-Litvinov discussions had seemed to solve and almost resulted in the breakdown of the Conference.

The chief innovations which the British draft contained as compared with the Turkish draft were as follows:[1]

The Preamble and Article 1 reaffirmed the principle of the freedom of the Straits which had been embodied in the Lausanne Convention but omitted in the Turkish draft; and it was further provided (by Article 25) that this principle should 'remain in vigour without limit of time'—i.e. whatever reforms the Convention embodying the principle might undergo.

In Section I (Ships of Commerce), the main innovation was one embodying the contention, already put forward by the British delegation, that Turkey should make no charges for the sanitary inspection of ships not calling at Turkish ports during transit; and should agree not to raise the dues payable by ships calling at Turkish ports.

In Section II (Warships and Auxiliaries), Article 8 excluded from the definition of auxiliaries ships specifically designed for the transport of inflammable liquids, thereby satisfying the French demand that this type of ship should be subject to the rules applying to commercial vessels.

Article 10 (corresponding to Article 6, § (*a*), of the Turkish draft) provided that the length of notice required by the Turkish Government for the passage of warships through the Straits should be limited to fifteen days.

Article 11 (Article 6, § (*b*), of the Turkish draft) provided that the maximum naval unit which might pass the Straits at any one time should be limited to one-half of the tonnage of the Turkish fleet then existing, or to 15,000 tons if this should be the greater figure. (The Turkish draft imposed an absolute limit in this respect of 14,000 tons.) The clause in the Turkish draft (Article 6, § (*h*)) allowing riverain Powers to send out single ships up to a maximum of 25,000 tons with the special permission of the Turkish Government was omitted in the British draft.

Article 14 made the new stipulation that these limitations should 'not prevent the visit of a fleet of any size to a Turkish port on the invitation of the Turkish Government', provided that this fleet left the Straits by the same route by which it had entered.

Article 15 (Turkish draft, Article 6, § (*c*)) contained the 'escalator'

[1] For the text see *Actes de la Conférence de Montreux*, Annex II, pp. 287–98. See also the *Journal des Nations*, 8th July, 1936.

clause. The total tonnage which non-riverain fleets might send into the Black Sea was to be limited as follows:

(i) It was not to exceed 30,000 tons (as compared with 28,000 in the Turkish draft) unless and until the tonnage of the largest riverain fleet in the Black Sea should come to exceed that of the largest fleet in the Black Sea at the time of signature of the Convention by more than ten per cent. After this point the total tonnage allowed to non-riverain Powers was to be augmented by a quantity equal to the excess up to a maximum of 45,000 tons. The tonnage which any one non-riverain Power might have in the Black Sea was to be limited to three-quarters of the total tonnage allowed to all non-riverain Powers.

(ii) If any Power, having at the time no force in the Black Sea or a force of less than 10,000 tons in all, should wish to send a force into that sea 'for humanitarian purposes', this Power should have the right, subject to special authorization from the Turkish Government, to send ships or to increase its existing force in the Black Sea up to a maximum of 10,000 tons, notwithstanding all the provisions in the preceding articles.[1] Such a force might remain in the Black Sea without limit of time. Forces sent into the Black Sea for any other purpose might not remain for longer than one month.

Article 16 (Turkish draft, Article 7) laid down that in a war in which Turkey should be neutral the same conditions should apply to warships as in time of peace, subject to the provision that these conditions should not be applicable to a belligerent Power to the detriment of its belligerent rights.[2]

Article 17 (Turkish draft, Article 8) changed the wording of the Turkish draft, making it clear that in the case of a war in which Turkey should be belligerent the passage of warships should be left entirely to the discretion of Turkey.

Article 18 (Turkish draft, Article 9) provided that if in view of a threat of war Turkey should decide to apply the provisions of Article 17, she should not only (as provided for in the Turkish draft) notify the League Council and the signatories of the Convention, but should undertake, if the League Council should decide by a two-thirds majority that the measures taken by her were not justified, to cancel them forthwith.

[1] For this clause cf. the proviso, made under Article 2, Annex, § 2 (*a*), of the Lausanne Convention, that (notwithstanding the limits imposed on the entry of non-riverain fleets into the Black Sea) 'the Powers reserve to themselves the right to send into the Black Sea, at all times and under all circumstances, a force of not more than three ships, of which no individual ship shall exceed 10,000 tons'.

[2] This clause also comes from the Lausanne Convention.

Article 20 laid down provisions for the regulation of civil aircraft passing over the Straits which were less restrictive than those included in the Turkish draft.

Article 21 made the provision, omitted in the Turkish draft, that the International Commission should continue to exercise its functions, in particular those of collecting statistics and providing the information necessary for the application of Articles 11 and 15.

Article 23 combined in a single article the several references in the Turkish draft to Turkey's obligations under the League Covenant.

Article 25 provided that the new Convention should remain in force for fifty years (as compared with the figure of fifteen mentioned in the Turkish draft). The provisions for revision of certain articles at the end of each five-year period were maintained and worked out in greater detail.

This draft gave a clear expression of the British policy at that time with regard to the Straits Question, the chief motives of which have already been explained. In the first place there was an insistence on the principle of the freedom of the Straits as an international waterway under the supervision of an international authority, and an attempt to make the application of this principle in the new Convention as durable as possible. In the second place there was a determined attempt to maintain the principle of reciprocity and to uphold the British view that the Black Sea constituted a part of the High Seas. Article 15 of the draft allowed for an increase in the tonnage of non-riverain warships in the Black Sea in case of extensive Russian construction, whereas by Article 11 Russia was not allowed to send large warships, whether new or old, into the Mediterranean; while the clause allowing non-riverain Powers to send warships into the Black Sea, over and above the limits imposed by the escalator clause, 'for humanitarian purposes' and without any limit on the length of time for which they might remain there, would in effect have rendered possible, in case of a coalition of several non-riverain Powers against Russia, the accumulation of a considerable force in the Black Sea hostile to Russia. Finally, the provision relating to the rights of belligerents in a war in which Turkey was neutral excluded the possibility of the Russian fleet emerging into the Mediterranean to attack a hostile fleet and then retiring unpursued into the Black Sea.

When the Conference reassembled to resume its plenary sessions, on the 6th July, the new British draft was unanimously adopted as the basis of discussion for the remainder of the Conference. The morning of the 6th July was devoted to a study of the new document and to informal talks between delegates, and in the afternoon the

first six articles of the British draft were discussed and accepted without important changes or reservations; but the discussion of the section concerning warships on the 7th July once more raised the inevitable difficulties.

The Soviet delegation, while accepting the escalator clause in principle, maintained that the actual figures appearing in the British draft were too favourable to the non-riverain Powers, and therefore moved an amendment to the effect that the limit imposed on non-riverain fleets should not be raised until the Soviet fleet had been increased by thirty per cent. (as compared with ten per cent. in the British draft). Moreover, they were deeply suspicious of the 'humanitarian ends' for which non-riverain Powers were to be allowed to send warships into the Black Sea in excess of the limits imposed by the escalator clause, and asked, in the lobbies, whether these 'humanitarian ends' had anything to do with the 'civilizing mission' of Italian aeroplanes in Abyssinia. Monsieur Litvinov was satisfied neither by British assurances that the drafters had had in mind the occurrence of natural catastrophes such as earthquakes,[1] nor by a British amendment to the effect that the total tonnage of all non-riverain fleets entering the Black Sea for this purpose should be limited to an excess of 15,000 tons in all over and above the limits imposed by the escalator clause. Monsieur Litvinov saw no reason why the ships already allowed into the Black Sea by that clause should not be capable of being put to humanitarian uses. He was equally hostile to the omission in the British draft of any allowance for the larger ships of riverain Powers to emerge from the Black Sea; though on the latter point his grievances were met by an amendment from the Turkish delegation, obtained no doubt as a result of pressure, restoring the provision in the original Turkish draft that riverain Powers might, with Turkish permission, send large ships through the Straits singly—and this time without any limit of size.

Finally, Russia took strong exception to the clause in Article 16 of the British draft which waived the limitations imposed on non-riverain warships on behalf of Powers exercising their belligerent rights in a war in which Turkey was neutral. This provision ran directly counter to Monsieur Litvinov's claim that Russia's position entitled her to special treatment in consideration of her security in the Black Sea. It was also, according to Monsieur Litvinov, open to the objection that it stood in conflict with the principles of the

[1] There was a remote possibility of catastrophic disturbances in the earthquake zone at the eastern extremity of the Black Sea. The British delegation may also have had in view other natural disasters, such as fires and famines.

Kellogg-Briand Pact, which had made an end of the doctrine of belligerent rights.

In order to meet Monsieur Litvinov's objections, the British delegation moved a new amendment on the 8th July during the discussion of the Article in question to the effect that: 1. If Turkey felt herself menaced by the passage of a belligerent fleet, she might close the Straits to all belligerent Powers without discrimination; 2. If no Black Sea Power was belligerent, Turkey should close the Straits to all belligerent vessels.

The British delegation was prepared, that is to say, to waive the principle that the Black Sea should remain open in a war in which no Black Sea Power was involved, and to sacrifice it, in a war in which a Black Sea Power was involved, to the requirements of Turkish security. But Monsieur Litvinov was still not satisfied. He pointed out that the British amendment would put far too great a responsibility upon Turkey; he therefore moved a counter-amendment, on the lines of the amendment which he had already moved at an earlier stage of the proceedings.[1] This counter-amendment read as follows: 'In a war in which Turkey is neutral, the Straits shall be closed to all belligerent Powers save in the case envisaged by Article 23.' (Article 23 provided that no stipulation of the new Convention should prejudice the rights and obligations of High Contracting Parties under the Covenant of the League.) By the terms of this amendment the opening and closing of the Straits in case of a war in which Turkey was neutral would be automatically determined, and the responsibility would therefore not devolve upon Turkey. The controversy on this point was intensified on the next day when, during the discussion of Article 23 itself, the Soviet delegation introduced a further amendment as follows:

> The dispositions of the present Convention not being such as to prejudice the rights and obligations which the High Contracting Parties members of the League derive from the Covenant, or to restrain in any way the League's mission to safeguard effectively the security of nations, it is understood that the effect of the said dispositions, and notably of Article 5 [commercial ships in time of war, Turkey being neutral] and Articles 9 to 16 [warships] shall not be to limit in any way the eventual putting into effect of the measures envisaged by the Covenant in regard to an aggressor state, nor to obstruct the passage through the Straits of warships in execution of engagements of assistance assumed or to be assumed in the future by states signatory of the present Convention by reason of the terms of agreements supplementary to the Covenant, as well as the passage of the warships of the state to whom that assistance is due.

[1] See above, p. 623.

The wording of these two amendments clearly indicates the point at issue. The Soviet delegation wanted to make perfectly sure that, in addition to recognizing the special position of Russia in the Black Sea, the new Convention would make full allowance for the working not only of Article 16 of the League Covenant, but also—and this was where the Russian view conflicted with the British—of regional agreements such as the Franco-Soviet Pact.

Monsieur Litvinov summed up his complaints against the British draft in saying that it represented an attitude of unfriendliness to Russia and lukewarmness towards the League on the part of the British Government which, going as far as it did in contemplating the possibility of Anglo-Russian hostilities in the future, was hardly consistent with the spirit of the Anglo-Russian *communiqué* which had been issued after Mr. Eden's visit to Moscow in March 1935.[1] The suspicions which Monsieur Litvinov entertained of a change in the British attitude towards Russia can hardly have been calmed by the appearance, on the 9th July, of a leading article in *The Times* under the title of 'Enter Russia'. This article began by describing the U.S.S.R. as 'a submerged hippopotamus with a short but sensational pedigree and a confident look in its eye'; went on to point out that the U.S.S.R. had in effect two foreign policies, a League policy and a Comintern policy of world revolution, the latter of which, there was reason to believe, was at present dormant rather than extinct, and might reawaken in the form of a new and dangerous imperialism on the day when the U.S.S.R. felt herself strong enough to hold the balance of power in Europe; and ended by suggesting that, until the Soviet hippopotamus emerged from its hiding and made a clean breast of the Comintern, its intentions were not to be trusted.

Monsieur Litvinov's suspicions concerning the British attitude towards regional pacts were yet further enhanced by certain arguments which the British delegation used during the further discussion of Article 16 of the British draft. Lord Stanley (who had now replaced Lord Stanhope as leader of the British delegation)[2] is said, during an informal discussion, to have raised the objection that regional pacts such as the Franco-Soviet Pact were framed in such a

[1] See the *Survey for 1935*, vol. i, p. 151. In this *communiqué* it had been declared that 'there is at present no conflict of interest between the two Governments [those of Great Britain and the U.S.S.R.] on any of the main issues of international policy. . . . They are confident that both countries . . . will govern their mutual relations in that spirit of collaboration and loyalty to obligations assumed by them which is inherent in their common membership of the League of Nations.'

[2] Lord Stanhope had been appointed First Commissioner of Works and recalled to London to act as Chairman of the Coronation Committee.

way as to operate in advance of the Covenant;[1] and that in any case, if the League Council failed to reach unanimity in naming the aggressor, Turkey might be placed in the invidious position of having to discriminate between two sets of belligerents in virtue of some pact to which she was not a party, or of having to close the Straits against a Power whose designation as aggressor she had refused to accept—an argument which was held by Monsieur Politis, the Greek delegate, to be specious, on the ground that Turkey was bound to most of her Black Sea neighbours by agreements[2] containing an identical definition of the aggressor.

As a result of these discussions Monsieur Litvinov's suspicions began to be shared by the delegates of France and the Balkan states. They felt that beneath the British arguments there lurked a growing dislike not only of regional pacts in general and the Franco-Soviet Pact in particular—in spite of the fact that the latter had on two occasions in the recent past received the blessing of H.M. Government[3]—but also of the Sanctions Article of the League Covenant; and the conclusion was drawn in some quarters that in the forthcoming discussions concerning the revision of the League Covenant the British Government intended to advocate the abolition of Article 16. The truth underlying these suspicions was probably no more than that the British delegation were anxious to avoid including anything in the Convention which might lead to its repudiation by non-members of the League or give Germany an excuse for denouncing the Anglo-German naval agreement; and that their anxiety in this matter led them to resist the attempts of Russia and her friends to subordinate the new Convention entirely to a system of alliances which they now regarded as being directed against Germany. But in taking this line they gave an impression in some quarters of wishing to oppose Russia's League policy with an anti-League policy of their own.

[1] In fact they would only become operative in the event of a failure of the League Council to reach a unanimous decision. For a further discussion of this question see the special supplement to the *Bulletin of International News*, 21st March, 1936.

[2] In particular, the Non-Aggression Treaty signed in London in July 1933.

[3] Namely: first, at the time of the signature of the Pact (see the *Survey for 1935*, vol. i, p. 88); and second, on the occasion of the German reoccupation of the Rhineland, in answer to the German complaint that the Pact violated the terms of the Locarno Treaty. Mr. Eden told the German Ambassador on the 7th March, 1936, that 'the view of the German Government as to the effect of the Franco-Soviet Pact on the Locarno Treaty . . . was not shared by the other signatories of the Treaty' (Mr. Eden in the House of Commons at Westminster on the 10th March, 1936). For the German *coup* of the 7th March and its sequel, see the present volume, Part III, section (i).

Whether justified or not, the suspicions thus evoked gave rise to strong resentment amongst the delegates of those Powers which had come to rely more than ever, since the recent failure of the League, on their pacts of mutual assistance. There followed a serious crisis in the Conference. Monsieur Paul-Boncour emphatically declared that he would refuse under any circumstances to abandon the French policy of mutual assistance pacts. Monsieur Litvinov took the step, almost unprecedented in his diplomatic career, of referring to his Government in Moscow for instructions; and Monsieur Titulescu, banging his fist on the table, asked why the British Government supported regional pacts at Geneva and opposed them at Montreux, accused the British delegation of attempting to separate Turkey from the Balkan Entente, and ended by storming out of the Conference hall and taking the first train for Bucarest.[1]

On the 8th and 9th July attempts to overcome the crisis by means of private conversations between Monsieur Paul-Boncour, Lord Stanley and Monsieur Litvinov met with no success. Mr. Rendel of the British delegation and Monsieur Paul-Boncour therefore set out for their respective capitals to obtain fresh instructions. Mr. Rendel returned on the 13th July without any substantial concessions; the British Government, it seemed, still objected to the idea of Turkey as a 'non-belligerent ally' of France and Russia, and wanted to know why, if Turkey really desired to be on such intimate terms with France and Russia, she did not join the Franco-Soviet Pact outright.

At this point the British delegation intervened with a new compromise. They agreed to abandon their claim that non-riverain warships should be allowed to pass the Straits in exercise of their belligerent rights during a war in which Turkey should be neutral, on condition that the French and Russians abandoned their attempt to subordinate the Convention to the Franco-Soviet system of alliances. This compromise took the form of a further amendment to Article 16 of the British draft, which read as follows:

> Warships belonging to belligerent powers shall not pass the Straits except in cases arising out of the application of Article 23 of the present Convention [obligations of High Contracting Parties under the Covenant

[1] The real cause of Monsieur Titulescu's departure was also, though less directly, connected with the Conference. As a result of the shift of the balance of power within Rumania in the direction of the pro-German elements, Monsieur Titulescu's policy of close co-operation with France and the U.S.S.R. at Montreux was being called in question, and he presumably thought it advisable to return to Bucarest to defend it. His conduct at Montreux was perhaps due in part to concern for his personal position. Cf. also p. 623, above, and p. 640, below; and Part III, section (iv) (*c*), pp. 517–18, 522–4.

of the League], and in cases of assistance rendered to a state victim of aggression in virtue of a treaty of mutual assistance *binding Turkey* and concluded within the framework of the Covenant.

This amendment would meet the British objection to Turkey's acting the rôle of non-belligerent ally to France and Russia, while the position of France and Russia would be safeguarded either by Turkish adhesion in the near future to the Franco-Soviet Pact or by the treaties which already existed between Turkey and Russia or Turkey and the Balkan states, and which would in practice render unlikely the possibility of Turkey remaining neutral.

It was not without considerable difficulty that the British delegation secured acceptance of this compromise and persuaded Monsieur Paul-Boncour to put forward in his own name the amendment which embodied it. But it appears that in doing so they acted without reference to the British Government; and the British Government, on being informed of the nature of the compromise, rejected it and reaffirmed all the earlier points put forward by the British delegation. On hearing this news Monsieur Paul-Boncour and Monsieur Litvinov announced that they would refuse any further concessions, and the latter threatened to leave the Conference. The British delegation thereupon put further pressure on their Government in London, and this time they received a satisfactory reply. The new amendment was finally accepted by all delegations on the 15th July, and the conciliatory spirit which had made possible the settlement of this question was maintained in the discussion of most of the remaining points on which the British and Soviet delegations had hitherto differed.

The settlement of this question was widely regarded as involving a sudden retreat on the part of the British delegation. It therefore caused both considerable annoyance amongst certain Powers not represented at Montreux and considerable speculation as to its real causes. It was for instance maintained by Monsieur Jacques Bardoux, in a series of articles in *Le Temps*,[1] that an underlying cause for this apparent British retreat was to be found in the signature, on the 11th July, of the agreement between Germany and Austria,[2] with all that it implied in the matter of a German-Italian *rapprochement*; that the British concessions to Russia were intended as a counter-move to alarm Germany and Italy and thus assure their acceptance of the invitations which had been issued to them on the 9th July[3] to come

[1] See *Le Temps* of the 10th, 17th and 24th September, 1936.
[2] See Part III, section (iv) (*a*) (4).
[3] See Part III, section (i) (*i*), p. 347, above.

to Brussels for the purpose of negotiating a new Locarno settlement; but that this counter-move was in reality a feint, and that the real and ultimate intention of the British Government was to effect a *rapprochement* not with Russia but with Turkey.

That the British at Montreux were largely interested in their new friendship with Turkey is, for reasons already explained, indubitable; but the rest of Monsieur Bardoux's thesis appears to be unnecessarily far-fetched. The extent of the British retreat was in any case exaggerated; for, on the crucial question whether or not the new Convention should be subordinated to the Franco-Soviet alliance system, the British delegation won their point; and if, in return for this concession, they gave way on the question of belligerent rights and on several other points on which they had differed from the Russians, their reason for doing so is to be found within the Conference itself,[1] and amounts simply to this, that the British delegation found themselves faced, in their attempts to make up for the weak position in which they had been placed at the beginning of the Conference, with the almost united opposition of the other delegations. There was a real danger that they would be saddled with the responsibility of bringing the Conference to grief, and thus compelling Turkey to resort to unilateral action in remilitarizing the Straits. It was to avoid this outcome that they persuaded their Government to adopt a more conciliatory tone.

Perhaps the simplest method of studying the remaining history of the Conference is to observe in what way and why the British draft was altered until it took the form of the agreed final draft which was signed as the Montreux Convention on the 20th July.

In the preamble and Article 1 of the final text the principle of freedom of navigation through the Straits was maintained, as in the British draft, together with a mention of the security of Turkey and of the riverain states of the Black Sea. In Section I (commercial vessels) Turkey consented to reduce to a nominal charge the sanitary dues hitherto imposed on vessels not calling at Turkish ports, and to fix at a reasonable level those payable by vessels calling at port (Articles 2 and 3 and Annex 1). The remainder of this section did not depart substantially from the corresponding section in the Turkish draft.

Under Section II (warships and auxiliaries), Article 9 of the final text provided that 'naval auxiliary vessels specifically designed for the carriage of fuel, liquid or non-liquid', would not be required, as in the case of warships, to notify the Turkish Government in advance

[1] See the reply to Monsieur Bardoux's articles by Mr. Robert Dell in *Le Temps*, 20th September, 1936.

of their passage, nor be counted in the calculation of total tonnage,[1] but would be subject to all the other rules laid down for the passage of warships through the Straits. In other words the French delegation, while obtaining certain privileges for the passage of their oil-tankers from Rumania and Russia, failed to obtain complete satisfaction of their desire that these vessels should be subject to the rules for commercial vessels.

Article 10 provided that in time of peace, except as provided under Articles 11 and 12, the only types of vessel allowed to pass the Straits should be 'light surface vessels, minor war vessels and auxiliary vessels'. As exceptions to this rule, Article 11 provided that Black Sea Powers might send capital ships of any size through the Straits, on condition that they passed the Straits singly, escorted by not more than two destroyers; and Article 12 provided that Black Sea Powers should have the right to send through the Straits, for the purpose of rejoining their base, submarines constructed or purchased outside the Black Sea, provided that adequate notice of such construction or purchase were given to Turkey.

Article 13 provided that the period of notice required by the Turkish Government for the passage of warships should be eight days, 'but it is desirable that in the case of non-Black Sea Powers this notice shall be increased to fifteen days'.

Article 14 provided that the maximum aggregate tonnage of all foreign naval forces in course of transit through the Straits (except in the case provided for in Article 11) should not exceed 15,000 tons.

This group of articles will be seen to embody a number of important concessions to Russia. For whereas Russia, without the special permission of Turkey, was now allowed to send any number of ships of any size, whether old or newly constructed, out through the Straits, and therefore to accumulate a large force in the Mediterranean or elsewhere, the non-riverain Powers were limited to sending 'light surface vessels' into the Black Sea. This specification was of particular importance for Russia: the category 'light surface vessel', as defined in the London Naval Treaty of March 1936[2], was designed to exclude all types of heavily armed vessels and therefore in particular the German 'pocket battleships' of the *Deutschland* type. The original limitation of 10,000 tons suggested by the British would have failed to exclude this type of vessel, and was therefore successfully opposed

[1] They could therefore pass to and fro through the Straits as often as they pleased in peace-time.

[2] See Annex II of the Convention. For the London Naval Treaty see Part I, section (ii), of the present volume.

by the Soviet delegation, who had reason to be particularly afraid of the German pocket battleships.[1]

The question of submarines caused considerable debate in the course of the Conference. The French stood out in their customary way for the treatment of submarines on the same footing as ordinary vessels of war, maintaining that they should be allowed to pass the Straits as they had been under the Lausanne Convention. In this they were opposed by both the British and the Russians, the latter successfully maintaining that the only exception to the total exclusion of submarines from the Straits should be made in favour of the Black Sea Powers, in view of the absence of facilities for the construction of submarines in their Black Sea dockyards. The French were equally unsuccessful in obtaining permission for the passage of aircraft-carriers—which did not come under the category of 'light surface vessels'. The Russians, who opposed the French on this point also, did so, no doubt, on the ground that hostile aircraft-carriers in the Black Sea might bring a threat from the air to those industrial regions of Russia that bordered on the Black Sea.

The escalator clause (Article 18) was also modified in a sense somewhat more favourable to Russia. The upper limit for the aggregate tonnage of non-riverain fleets allowed into the Black Sea in peacetime was to remain at 30,000 tons unless and until the tonnage of the strongest Black Sea fleet should exceed by 10,000 tons (as compared with ten per cent. in the British draft) that of the strongest Black Sea fleet at the time of signature of the Convention; the limit was then to rise *pari passu* with any further excess up to a maximum of 45,000 tons. The proportion of that tonnage which any one Power might have in the Black Sea was limited to two-thirds (in place of three-quarters, as proposed by the British draft). The principle that forces might be sent into the Black Sea for 'humanitarian purposes' was maintained, but such a force was not in any case to exceed 8,000 tons aggregate; and if the additional force would bring the aggregate tonnage in the Black Sea up to a figure in excess of the limit imposed by the escalator clause, it was only to be sent into that sea on condition that the riverain Powers raised no objection to its despatch. A time-limit of twenty-one days was imposed on the stay of warships of all non-riverain Powers in the Black Sea, whatever the purpose of their visit.

[1] The British delegation, in accepting the Russian amendment on this point, attempted to soothe the susceptibilities of the absent Germans by pointing out that British monitors and Italian cruisers of the *San Giorgio* type were also excluded by this definition, and that it could not therefore be taken to discriminate exclusively against Germany.

The history of the compromise evolved by the British delegation and put forward by Monsieur Paul-Boncour for Article 19 (transit of warships in a war in which Turkey is not belligerent)[1] has already been described, but it still remains to describe the reactions to it of other delegations. Throughout the discussion which it involved the Greeks and Jugoslavs stood behind Russia and France as signatories of a regional pact, the Balkan Entente, which fell under the category of pacts apparently threatened by the British attitude. The Rumanians had perhaps even more reason to insist on the Russian thesis than had the Russians themselves, for if the French were prevented from sending warships through the Straits in execution of regional pacts, the Franco-Rumanian Treaty, which was the pivot of the Rumanian security system, would be dangerously weakened, and the Rumanians would therefore be forced either to rely exclusively on the U.S.S.R.—a prospect which would never be agreeable to Rumanians so long as Bessarabia continued to be painted red on Soviet maps—or to revolve in the German orbit; and this latter was the one thing which Monsieur Titulescu, for reasons of internal politics, was anxious at all costs to avoid.[2] Indeed it was far from certain, for the same reason, whether Monsieur Titulescu would even be satisfied with Monsieur Paul-Boncour's compromise; and as he was absent from the Conference until the day of signature, there was danger up to the very last moment that, as the correspondent of *The Times* at Montreux expressed it, he might 'return with a torpedo in his luggage'. The Turks seem to have been far less concerned for their own position under the various amendments proposed than were their British and Russian colleagues, and the only serious objection came from the Bulgarian delegation. Bulgaria, who was not a member of the Balkan Entente, and was opposed in principle to mutual assistance pacts, suspected that the mention of 'treaties of mutual assistance binding Turkey' was directed against herself; and she was only at length and with some difficulty satisfied on this point by the assurances of the Rumanian and Jugoslav delegates that they had no such purpose in mind, and by a reminder that the definition of the aggressor against whom action under such pacts would be taken was in the hands of the League, of which Bulgaria was a member.

Article 20 gave Turkey complete control of the Straits in time of war in terms identical with those of the British draft. Some changes were made, however, in the wording of Article 21, which allowed Turkey to apply the provisions of Article 20 in case of a threat of war.

[1] Article 16 of the British draft.

[2] See p. 635, above, footnote.

The British draft had provided that, if the Council of the League, having been informed of the measures taken by Turkey under this article, decided by a two-thirds majority that these measures were unjustified, Turkey should undertake to cancel them. The Japanese, being non-members of the League, objected to this provision, but were satisfied by the addition of a further clause providing that an adverse decision by a majority of the signatories of the Convention should also be necessary to require Turkey to cancel any measures which she might have taken. The Japanese delegation also took this occasion to make a reservation, which equally affected Article 25 (rights and obligations of High Contracting Parties arising out of the League Covenant), to the effect that the Convention as a whole should not in any way be taken to modify the status of Japan as a non-member of the League, whether in regard to the Covenant of the League or to mutual assistance pacts concluded within its framework.

Section III, which laid down provisions for aircraft, imposed stricter limits than had been in force under the Lausanne Convention on the passage of civil aircraft over the Straits zone, requiring a notification of three days for occasional flights and a general notification in advance for regular services. The omission of any provision for the passage of military aircraft bore witness to the failure of the French delegation, in the face of British and Turkish opposition, to obtain special privileges for Russian aeroplanes coming to the assistance of France under the terms of the Franco-Soviet Pact. The Russians themselves were not averse from this omission, since they no doubt preferred immunity from air attack in the Black Sea to the doubtful privilege of being permitted to send their air-fleet to the help of France in the Mediterranean.

In Section IV (General Provisions), Article 24 transferred the functions of the International Commission set up under the Lausanne Convention to the Turkish Government, who now undertook to collect statistics and furnish information concerning the application of Articles 11, 12, 14, and 18, and to supervise the execution of all the provisions of the Convention relating to the passage of warships through the Straits. The Turks had taken a firm stand on this point, and the British delegation, which had been almost alone in wishing to maintain the International Commission, doubtless felt that its power and functions would in any case be so tenuous as to be worth sacrificing in order to recompense the Turks for their exemplary behaviour in the previous April.

Article 25 safeguarded the rights and obligations of the High Contracting Parties arising out of the Covenant of the League; and it is

worth observing in this connexion that in Articles 4 and 19 the word 'neutral' (British draft) was replaced by the words 'not belligerent'—in deference to those who maintained that the status of neutrality had ceased to exist in international relations since the signature of the Covenant and the Briand-Kellogg Pact.

Under Section V (Final Provisions), Article 26 provided that the Convention should come into force after six (out of ten) ratifications had been deposited. Article 27 allowed for the subsequent accession to the Convention of any Power signatory of the Treaty of Lausanne —in other words of Italy, the only signatory of the Lausanne Treaty not present at the Conference.

The unfriendly attitude of Italy towards the Conference has already been described. This unfriendliness grew more marked in the Italian press during the later stages of the Conference, particularly after the British concessions to the Russian point of view were made public; for Italy, having regard to her hopes of hegemony in the Eastern Mediterranean, and no doubt also to her intentions in Spain, disliked the idea of an increase of Soviet influence in the Mediterranean even more than did Great Britain, and consequently suspected the British concessions to Russia as being aimed against herself. She therefore continually put forward new excuses for her unwillingness to attend the Conference, and refused to be placated either by the decision of the British Government on the 9th July to withdraw the reinforcements which had temporarily been added to the British fleet in the Mediterranean,[1] or by the announcement by Mr. Eden on the 15th July that the French Government regarded their naval arrangements with Great Britain in the Mediterranean as terminated.[2]

The Turks, having obtained the consent of all the other signatories of Lausanne to their chief demands, were not unduly perturbed by this Italian attitude.[3] On the 13th July Monsieur Rüstü Aras made a declaration to the Conference on this point, the meaning of which was very obscure, but which seems to have been intended to convey that the Turkish delegation did not wish the Convention to be left open to the signature of Powers not present at Montreux;

[1] See the *Survey for 1935*, vol. ii, p. 513. The First Lord of the Admiralty took the opportunity, however, to confirm the statement made a fortnight earlier by Mr. Eden in the House of Commons at Westminster (see p. 620, above) to the effect that the total strength of British naval forces in the Mediterranean would be permanently increased.

[2] See *op. cit.*, p. 512.

[3] For remarks on the validity of a new Convention signed in the absence of one of the signatories of the Convention which it replaces, see C. W. Jenks, *op. cit.* in footnote on p. 584, above.

but that, since they desired the new Convention to be of a universal character, they reserved the right subsequently to sign bilateral agreements on the basis of the new Convention if the occasion should arise. On the 16th July, however, Monsieur Aras had an interview with Signor Bova Scoppa, the permanent representative of Italy in Geneva; and in the final text of the Convention a clause allowing for subsequent Italian adherence was included in spite of the earlier Turkish declaration. It is true that Signor Bova Scoppa categorically denied that the insertion of this clause was due to his intervention, but it is probable that in the course of his conversation with Monsieur Aras he gave some hint of the future Italian attitude which encouraged the Turkish Foreign Minister to leave the way formally open for Italian adherence.

Article 28 provided that the Convention should remain in force for twenty years (as compared with the figure of fifty named in the British draft); retained from the British draft the clause providing that the principle of the freedom of the Straits should remain in force without limit of time; and prescribed that, if, after the lapse of twenty years, no notice of denunciation had been given, the Convention should remain in force until two years after such notice should have been given, at the close of which period a Conference should be called to elaborate a new Convention.

Article 29, an unusual feature of the Convention, provided machinery for its revision, and was due to the desire of the British delegation to ensure the durability of the Convention without precluding the possibility of countering a large increase in the Russian Black Sea fleet at some future date. Request for revision might be made by any High Contracting Party at the end of each five-year period, but was only to be valid if it received the support of one other signatory in the case of Articles 14 and 18 (limits of the tonnage of fleets passing the Straits and in the Black Sea), or of two other signatories in the case of any other article. In the case of failure to reach agreement through diplomatic channels on the proposed revision, the signatories agreed to summon a Conference, in which case revision must be agreed upon by a three-quarters majority of the signatories, including three-quarters of the riverain states—of which one must be Turkey—in the case of Articles 14 and 18, and by unanimity in the case of any other article.

The text of the Convention was followed by the reservation of the Japanese delegation already mentioned; by four annexes—Annex I defining the taxes and dues to be imposed by Turkey on vessels passing the Straits; Annex II providing definitions of various types

of war vessel as laid down in the Naval Treaty of London (March 1936); Annex III making special provision for the passage through the Straits of three old Japanese training-ships; and Annex IV providing categories for the calculation of tonnage passing through the Straits; and finally by the protocol (already described)[1] allowing Turkey to remilitarize the Straits on the day of signature of the Convention and to apply the new régime of the Straits provisionally as from the 15th August.

The final draft of the new Convention as submitted by the Drafting Committee received the unanimous approval of the Conference in its final session on the 18th July. At the instance of the British delegation the Turkish Foreign Minister took the occasion to make a declaration, subsequently confirmed in writing by an exchange of letters between Monsieur Aras and Lord Stanley, to the effect that the Turkish Government would continue to adhere strictly to all the remaining provisions of the Treaty of Lausanne, and in particular to those according facilities 'in regard to the upkeep and supervision of, and to visits to, the cemeteries (in the Gallipoli peninsula), and in regard to the application of Article 124 of the Treaty of Lausanne'.[2] This declaration, as Mr. Bruce pointed out, would be particularly acceptable to the Governments of the British Dominions, for whom the war graves in Gallipoli were a matter of special sentimental importance, as well as to France and Great Britain, whose delegates thanked Monsieur Aras warmly for his gesture. The adoption of the final text took place in public session on the afternoon of the 18th July, but the actual ceremony of signature was postponed until Monsieur Titulescu returned from Bucarest on the 20th.

On the same day an extraordinary meeting of the Turkish Cabinet was held at Angora, and at midnight, in accordance with the provisions of the protocol, thirty thousand Turkish troops marched into the demilitarized zone of the Straits, where they found awaiting them the whole of the Turkish fleet, led by the battleship *Avuz*—the new name of the notorious *Goeben*. Next morning President Kemāl Atatürk toured the zone and received the enthusiastic welcome of its inhabitants. A month later, on the 24th August, the International Commission of the Straits sent a message to the Secretary-General of the League announcing its decision, the Italian representative alone dissenting, to wind up its existence and hand over its functions to the Turkish Government. Finally the procès-verbal of rati-

[1] On pp. 624–5, above.

[2] Concerning facilities afforded to foreign commissions appointed for the purpose of supervision and upkeep of the cemeteries.

fication of the Montreux Convention was signed at the Quai d'Orsay on the 9th November by the representatives in Paris of France, Great Britain, the U.S.S.R., Turkey, Bulgaria, Jugoslavia and Greece; and with this the re-establishment of Turkish control over the Black Sea Straits was complete. The intention of the Turkish Government to render that control effective in practice was made clear in the following February by the announcement of a special increase of £5,000,000 in the Turkish military estimates to be devoted to the refortification of the Straits, and by the placing of a £3,000,000 contract with the English firm of Brassert & Co.[1] for the erection of steel-works in Northern Turkey.

(*f*) Reactions to the Signature of the Montreux Convention, and subsequent Negotiations for the Adherence to it of the Italian Government

The successful conclusion of the Montreux Conference might have been a great deal more effective than it was in clearing the Mediterranean air after the Abyssinian affair if it had not almost exactly coincided with the outbreak (on the 18th July) of General Franco's revolt against the Spanish Government, which once more raised the whole Mediterranean question in a new and acute form. As it was, such effect as the new Convention had was little more than the indirect one of hastening the termination of the Mediterranean naval agreements amongst the Sanctionist Powers, and possibly also of contributing towards the conclusion of the Anglo-Italian Gentlemen's Agreement in the following January.[2]

The more immediate reactions of the interested Powers suggested that the new solution of the Straits problem would prove satisfactory in practice and, in the words of Lord Stanley, would 'stand the test of time', just because it was the result of hard bargaining between Powers on an equal footing. The Turks, at any rate, had every reason to be satisfied with the results of their good behaviour, and their satisfaction was clearly shown both in the reactions of the Turkish press and in the celebrations which accompanied the reoccupation of the demilitarized zone.

The attitude of the British Government was indicated in a speech

[1] Cf. pp. 532–3, above. Rumours were current at an earlier date that this contract had been obtained by the German firm of Krupp. It appears that the terms of Krupp's tender were far more favourable to Turkey than the British, but that the Turks, already chafing under the limitations imposed by Dr. Schacht's system of settling German debts in the Balkans, were unwilling to entangle themselves further in that system.

[2] See Section (ii) of this part of the present volume.

delivered by Mr. Eden in the House of Commons at Westminster on the 27th July, in which he said that H.M. Government held the new settlement to be 'very satisfactory' inasmuch as it maintained as far as possible the principle of the freedom of the Straits as an international water-way while at the same time providing an outstanding example of treaty revision by peaceful means—a sentiment which was re-echoed by *The Times* when it described the new convention as 'only a beginning' of treaty revision. Mr. Eden also extended the sincere thanks of H.M. Government to Turkey for the declaration made by her Foreign Minister on the subject of war graves in Gallipoli, and emphasized the exceptional friendliness of relations between Great Britain and Turkey which had already been marked by the speeches of Lord Stanley and Monsieur Aras in the final session of the Conference.

This close collaboration between Great Britain and Turkey was in no way affected by the termination of the naval arrangements between the two countries at the end of July,[1] and was not the least of the gains which Turkey, thanks to her increased desirability as a friend under the new Convention, took away from Montreux. Its corollary was a cooling off of the friendship hitherto existing between Turkey and the U.S.S.R., which had already been so evident on several occasions during the Conference as to evoke from the Soviet press the complaint that 'Turkey was yielding to the pressure of imperialist Powers'.

But if many of the gains which Russia had obtained during the Conference might eventually prove illusory in view of Turkey's coolness towards her, the immediate reactions of the Soviet press were favourable enough to the new Convention. Russia had, after all, attained all her main objects; and incidentally the *détente* produced at the end of the Conference between Russia and Great Britain smoothed the way for the provisional Anglo-Russian agreement on the limitation of naval construction which was reached at the end of July.[2]

The French, though they had not received full satisfaction in regard to the recognition of their pacts with Black Sea Powers, had hopes, which were shared by Rumania, Greece and Jugoslavia, that the *détente* produced by the Conference would hasten the conclusion of a Mediterranean Pact in the near future. The Greeks further announced that they were now in no hurry to refortify the islands of Lemnos and Samothrace, as they henceforth had the right to do; and the Bulgarians, although they repeated at the final session of

[1] See the *Survey for 1935*, vol. ii, p. 513. [2] See p. 113, above.

the Conference the statement that they regarded the new Convention as a precedent for the revision of the Treaty of Neuilly in the near future, seem to have achieved a sufficient *rapprochement* with their Balkan neighbours to justify hopes of their also being invited to adhere to any new Mediterranean Pact which might be negotiated in the future. The new Convention was also approved in due course by the Japanese Cabinet, whose chief delegate at Montreux, Monsieur Sato, rightly pointed out that this was the first international document signed by the Japanese Government 'since the regrettable departure of Japan from the League of Nations'.

Of the Powers not represented at Montreux, the Hungarians, like their Bulgarian associates in the revisionist camp, preferred to dwell on the aspects of the Convention which boded well for the future of treaty revision. Their press pointed out the significantly favourable attitude of the British Government and press towards treaty revision, and observed that the success of the Montreux Conference had been due to the separation of the idea of treaty revision from the Covenant of the League. It is also worth mentioning here that in the following January the Turkish Government extended the rights granted to signatory powers of the Montreux Convention for their commercial shipping to Poland, whose trade southward through the Straits was coming to have increasing importance.

The unfavourable reactions to the new Convention came, as might be expected, from the two major Powers not represented at the Conference, Germany and Italy. The German Government had, during the later sessions of the Conference, sent as an unofficial observer to Montreux one Admiral Haak, a naval expert, whose mission was presumably to be present at the bedside of the dying Conference and draw profit from the troubled atmosphere of its decease. Its unexpected recovery, thanks to the British concessions to Russia, and the *détente* which it produced were highly unwelcome to Germany and evoked from the German press a diatribe on the fickleness of British policy. Attempts were made to belittle the importance of the new Convention and to dwell on the hope that the growing coolness between Turkey and Russia would neutralize such gains as Russia had obtained; and on the 26th February, 1937, the German Government gave practical expression to their dislike of the new Convention by informing the Turkish Government through diplomatic channels that certain clauses in it were not regarded with favour by Germany, particularly those relating to the egress of Soviet battleships into the Mediterranean. This *démarche* caused some concern in Turkey, and produced the retort that since Germany was

neither a signatory of the Montreux Convention nor a Mediterranean Power, the matter was no business of hers, and that Turkey would 'brook no interference in matters vital to her security'. The German Government seem to have left the matter at this point and to have agreed to regard the conversations as unofficial, realizing presumably that they were in no position to enforce their objections in practice.

The Italians, too, continued for the time being to chafe at the new Convention, which their press described as 'unrealistic' because it took 'no account of the dynamism in European politics', and in any case as valueless since it lacked the signature of one of the Powers most directly affected. What they doubtless disliked in particular was the possibility of increased Russian influence to counter-balance their own in the Eastern Mediterranean, as well as the success of Great Britain in winning the friendship of Turkey which the Italians themselves had courted six years previously. Turkey's position under the new Convention was so strong, however, that she was in no hurry to obtain Italian adherence to it; she could always counter an Italian attempt to insist on the rights of Italian warships under the old Convention by discriminating against Italian commerce passing through the Straits. Her firm attitude was made clear in a declaration uttered by the President of the Turkish Cabinet at the beginning of August, to the effect that 'those who have a policy of international peace at heart will have profit from collaboration with us. Those who expect a different policy from us will be disappointed'.

Italy, like Germany, seems at this point to have realized the weakness of her position, and therefore to have decided to reverse her policy of unfriendliness towards Turkey, in the hope, no doubt, of drawing her away from her new friendship with Great Britain. This was probably one of the chief motives underlying the assurances given by Italy to Turkey, Greece and Jugoslavia at the end of July as to her peaceful intentions in the Eastern Mediterranean and her statement to the Turkish Government that she continued to consider herself bound by the Italo-Turkish Pact of 1928.[1]

These assurances were largely instrumental in enabling the British and Turkish Governments to terminate the naval arrangements which had hitherto been a source of friction between Italy and Turkey. There followed an improvement in Italo-Turkish relations which was encouraged by the fact that Turkey was the first Power to remove her diplomatic representative from Addis Ababa, without

[1] See Mr. Eden's statement in the House of Commons at Westminster on the 27th July, 1936, which is quoted in the *Survey for 1935*, vol. ii, pp. 513–14.

waiting for a decision from Geneva, as a step towards the recognition of the Italian Empire in Ethiopia. Late in December 1936 a minor dispute between the two Powers concerning certain Spanish ships, which, according to the Italian press, had been allowed to pass the Straits as a result of Soviet pressure without paying the stipulated dues, was smoothed over by the Italian Government, and it was announced that a commercial convention would be signed between Turkey and Italy in the near future. At the end of January 1937 the Italian press made it known that direct conversations would shortly take place between the Foreign Ministers of the two Governments, on the initiative of Turkey, to arrange for Italian adherence to the Montreux Convention. It was, however, made clear in advance that that adherence could only come about on two conditions: first that no discrimination should be made against Italy for being a late-comer to the Convention; and secondly that any decisions which might have to be referred to the League Council under Article 21 of the Convention would also be referred to the Italian Government in Rome in view of Italy's *de facto* absence from Geneva.

The event which, more than any other, paved the way for the Italo-Turkish conversations of February 1937 was the signature on the 2nd January, 1937, of the Anglo-Italian Gentlemen's Agreement concerning the Mediterranean,[1] and that for two reasons. In the first place the reassurances which Italy gave in that agreement concerning the *status quo* in the Mediterranean implied a guarantee of the integrity and security of Turkey against attack by Italy in pursuit of 'her historic objectives'; in the second place the absence in the agreement of any mention of arms limitation implied that Great Britain intended to rearm in order to ensure her position in the Mediterranean, and this British rearmament seemed likely to contribute further to the security of Turkey as the friend of Great Britain.

It was finally arranged that the meeting between Count Ciano and Monsieur Rüstü Aras should take place on the 2nd and 3rd February, 1937, at Milan, whither Monsieur Aras would come after the League Council meeting at the end of January. It was made known in advance by the Italian press that Italy wished the discussions to be 'fitted into the general framework of Italo-Turkish relations', in other words that she intended to obtain concessions in other directions in exchange for her offer of adherence to the Montreux Convention; and further that she was concerned with 'the new Straits régime only in so far as it' affected 'Turkey, and not with the Montreux Convention as a whole'; in other words, that she was prepared

[1] See section (ii) of this part of the present volume.

to sanction the re-establishment of Turkish control over the Straits, but not necessarily the rights which were given to Russia under the new régime and which, particularly in view of the Spanish situation, she continued to regard with disfavour.

It is probable that, in addition to Italy's desire to safeguard her rear during the Spanish affair, her ambitions in the Balkans played their part in inclining her to adopt a more friendly attitude towards Turkey. The influence of France in South-Eastern Europe had recently declined and that of Germany was steadily growing in its place. Italy was anxious to forestall this growth of German influence before it was too late, and it was natural for her to begin, as in 1928, by securing the friendship of Turkey, the more so since the Turkish Foreign Minister was now President of the Permanent Council of the Balkan Entente. On the Turkish side, in addition to the obvious desire of Turkey to legalize the Montreux Convention by obtaining for it the endorsement of Italy as a signatory of the Lausanne Convention, there was always the hope that the coming conversations with Italy would be a second step—the Anglo-Italian agreement having been the first—towards the negotiation of a general Mediterranean agreement which she had long desired. She would also, no doubt, be glad of Italian friendship so long as her dispute with France over the status of Alexandretta[1] remained unsettled.

Those who hoped for the immediate adherence of the Italian Government to the Montreux Convention were disappointed by a declaration, published on the day before the Milan meeting, to the effect that the conversations would constitute 'a preface and not a conclusion'; but that it was a preface of some importance was indicated by the retinue of experts which the two Foreign Ministers brought with them. The nature of the conversations was made public in a press *communiqué* issued from Milan on the evening of the 3rd February to the effect that a cordial meeting had taken place 'in the spirit of the Italo-Turkish Pact of 1928'; that as a result of the discussion, which had not gone beyond a general survey, it was found that no questions divided the two countries, and only feelings of mutual confidence inspired their relations; that they had both decided to co-operate in the interests of Italo-Turkish relations and of a general policy of peace; and finally that they would continue to keep in touch through diplomatic channels in order to make their exchange of views effective in practice.

From this *communiqué* and from subsequent press statements three things might be inferred: in the first place that Count Ciano

[1] See the present volume, Part V, section (iv).

repeated the assurances which he had already given to Turkey in July 1936 concerning the peaceful policy of Italy in the Eastern Mediterranean and the essentially defensive nature of the fortification of Leros;[1] secondly that the Italian Foreign Minister did not give his adherence outright to the Montreux Convention, but agreed to pursue the matter through diplomatic channels, in the hope of obtaining concessions in other spheres, such as special treatment for Italian exports and shipping, a settlement of outstanding questions regarding Italian property, schools and missions in Turkey, and perhaps even a full recognition of the Italian Empire in Ethiopia; and thirdly that Count Ciano made an attempt, which caused some nervousness in France, to draw Turkey away from her attachment to Russia and Great Britain and to attach her, instead, to the Rome-Berlin axis. But if this was his purpose, his failure to achieve it was clearly indicated by an announcement in the official Turkish press on the 3rd February, 1937, that Turkey was 'attached only to the *bloc* of peace, and to no other *bloc*', as well as by Monsieur Aras's attempt, which caused some surprise in diplomatic circles, to persuade Italy to return to Geneva.

Further, if the Italian Foreign Minister had hoped to make Italian adherence to the Montreux Convention conditional on some revision of the new régime which would be calculated to minimize the advantages given by it to 'Russian imperialism', it seems to have been pointed out to him that such revision could not possibly take place as the result of a bilateral agreement between Italy and Turkey, for later in the month a *démenti* was issued in the Italian press of the rumour that Italy had made such a request.

No doubt this difficulty concerning the rights of Russia was largely responsible for the fact that, up to the time of the writing of this chapter, nothing had been heard of the outcome of the diplomatic negotiations upon which the two Governments had entered on the subject of Italian adherence to the Montreux Convention. There was perhaps a certain irony in the fact that the Convention which emerged from the most successful attempt at post-war treaty revision still remained technically invalid a year after its conclusion thanks to the absence from its list of signatories of one of the very Powers which had been most vocal in the revisionist cause.

[1] The fortification of Leros had been explained by the Italian press as corresponding to the British fortification of Malta and Gibraltar—i.e. as being for the purpose of protecting commerce. Since, if Italy were on bad terms with Turkey and the Straits were closed, the Italians would have no commerce to protect in that part, it was clear, according to the Italian press, that the fortification of Leros presupposed good relations with Turkey.

(ii) The Anglo-Italian Declaration of the 2nd January, 1937, concerning Assurances with regard to the Mediterranean.

In a previous volume of this series[1] some account has been given of the reinforcement of the British fleet in the Mediterranean in the autumn of 1935 in view of the international crisis which had then arisen out of Italy's aggressive attitude towards Abyssinia; and in the same context the history of the subsequent and consequent negotiations over mutual assistance between the Governments of the United Kingdom and of certain other states members of the League of Nations, all of whom were countries with Mediterranean seaboards, has been carried down to the dates of the announcement by Mr. Eden in the House of Commons at Westminster on the 15th and the 27th July, 1936, that the temporary and contingent Anglo-French, Anglo-Turkish, Anglo-Jugoslav and Anglo-Greek mutual assistance agreements had lapsed—the Anglo-French agreement terminating automatically, in the French Government's view, upon the abandonment of sanctions, while the other three agreements were rendered superfluous, in the British Government's view, by the receipt of Italian assurances at Angora, Belgrade and Athens.[2] In this connexion, it has also been recorded[3] that on the 9th July, 1936, Sir Samuel Hoare—who had by then returned to office in the new rôle of First Lord of the Admiralty—had announced that, while there was no intention of withdrawing the British Navy from the Mediterranean, reinforcements which had been sent to the Mediterranean fleet in and after the autumn of 1935 were to return, at an early date, to their normal stations.

Thus outwardly the political and naval situation in the Mediterranean had reverted in July 1936 to what it had been twelve months earlier, before the Italo-Abyssinian crisis had come to a head; but in reality there neither was nor could be a restoration of the *status quo*. On the political plane, the Italian violation of the League Covenant and the Briand-Kellogg Pact and the Italo-Abyssinian treaty of 1928 had made it clear to all states within range of Italy that mere diplomatic instruments bearing an Italian signature afforded no insurance against the risk of Italian aggression, supposing that Italy were one day to fall upon some other country as she had fallen upon Abyssinia. And the likelihood that she might be tempted to commit aggression again, if a favourable opportunity were to present itself, was manifestly increased by her success in bringing off her African *coup*. Meanwhile, on the strategic plane, the

[1] The *Survey for 1935*, vol. ii, section (viii).
[2] *Op. cit.*, pp. 512–13.
[3] In *op. cit., loc. cit.*

events of the past eleven months had shown, by July 1936, how awkwardly Italy and the British Empire were placed in the Mediterranean *vis-à-vis* one another. The British Empire, thanks to its strength on the sea and to its local *points d'appui* at Malta, Cyprus, Haifa, the Suez Canal, Alexandria and Aden, was in a position to sever the maritime line of communications between Italy and her East African possessions; and the Italian conquest of Abyssinia had increased the size and value of the East African hostage which Italian imperialism had given, not to Fortune, but to Britain. On the other hand, the possession of Sicily, Pantellaria,[1] Libya[2] and the Dodecanese[3] might perhaps[4] enable Italy, for her part, to bring her air- and land- as well as sea-power into play in order to bomb Malta and invade Egypt and insulate the British naval forces in the Levant from the Western Mediterranean and *a fortiori* from their home waters. This was not a situation which either Power could contemplate with equanimity in an atmosphere of mutual hostility and suspicion which had been created by the Anglo-Italian quarrel over the Italo-Abyssinian conflict and which was now being aggravated by new alarums and excursions in the Mediterranean area that were following hard upon the heels of the only recently abandoned League sanctions against Italy. The dark cloud of Italian conquest had no sooner settled down upon the Abyssinian mountains than a fog of civil war blew up over Spain[5] and attracted Italian—and this time also German—attention and activity to the Western Mediterranean, so that, before the end of the calendar year, the foul weather had spread up and down the whole length and breadth of the narrow seas from Aden at one end to Gibraltar at the other. In these circum-

[1] On the 26th February, 1937, a decree was published in Rome declaring that 'it is forbidden to fly over the island of Pantellaria and its relative territorial waters'. On the 8th March, 1937, in the House of Commons at Westminster, Lord Cranborne stated, in answer to a parliamentary question, that he was 'unable to confirm' the current reports that the island of Pantellaria had been fortified. In any case it may be doubted whether the fortification of Pantellaria would have added appreciably to the strategic advantage which was already conferred upon Italy by the possession of Sicily.

[2] The Libyan threat to Egypt was perhaps less formidable on the *terrain* of the Egypto-Libyan frontier, with its 'very light soil', than it might appear to be on a map on which the colours represented differences of political sovereignty and not the more pertinent difference between the Desert and the Sown.

[3] The conversion of the Dodecanesian island of Leros into an Italian naval and air base had been causing considerable anxiety at Angora. (See p. 651 above.)

[4] The possibility was not a certainty.

[5] The international repercussions of this Spanish civil war will be dealt with in the *Survey for 1937*.

stances, the British and Italian Governments were confronted with a choice between working for a *détente* and abandoning themselves to a competition in Mediterranean armaments and Mediterranean alliances which was likely to prove a royal road to war.

In the autumn of 1936 the omens were not reassuring.

On the British side Sir Samuel Hoare made a tour of inspection, beginning on the 26th August and ending on the 22nd September, of British naval bases and establishments in the Mediterranean, including Gibraltar, Malta, Haifa, and Cyprus; and in a statement to the press which he made upon his arrival home on the latter date he spoke once again in the resolute tone which he had used at Geneva on the 11th September of the preceding year.

> So far from there being any question of abdicating our position in that sea, or of scuttling from Malta, we intend to face and solve the new and admittedly difficult problems which have arisen with a view to making our position secure for the future. This decision implies no shadow of a threat to any other nation. It is self-evident commonsense to ensure the security of our Mediterranean communications, since they represent a vital highway of the Empire.

In the course of the same statement the First Lord of the Admiralty went on to announce that the British Government's technical advisers were satisfied that the development of air-power had neither revolutionized Mediterranean strategy nor endangered the position of the British Empire in the Mediterranean, and he threw out hints that the potentialities of Cyprus both as a naval base and as an air base were not to be neglected. Referring to demands in the Italian press that Great Britain should 'clarify her new Mediterranean policy', Sir Samuel Hoare declared that

> There is, in fact, no new policy. Our attitude towards the Mediterranean is precisely what it has always been. Our dual purpose is to live in the friendliest possible relations with all other Mediterranean Powers without exception, and at the same time to give security to this highly important artery of the British Commonwealth. Friendship with neighbouring Powers does not absolve us from the duty of making ourselves secure.

This statement was interpreted in Italy as an announcement that Great Britain intended to maintain, or recover, the predominance which she had enjoyed in the Mediterranean since the time of the Napoleonic Wars; and on this interpretation the British statesman's words were received in Italian quarters with mingled resentment and apprehension. The Mediterranean problem figured prominently in the discussions at an Italian national congress for the study of international affairs which was held at Milan on the 15th–17th October.

The *rapporteur* on this subject, Professor Pace, spoke critically of British policy and pessimistically of the prospects of Anglo-Italian relations in the Eastern Mediterranean—prognosticating that England would 'persist in her monopolistic conception' and that in that case the final solution would 'come only from a shaking off of Italy's Mediterranean servitude through a war'.[1] A different tone, however, could be detected in a speech delivered at Bologna by Signor Mussolini on the 24th October (the day on which the new Italo-German *entente* was being cemented at Berchtesgaden).[2]

> From this Bologna . . . I desire to launch a message that is to travel beyond the mountains and beyond the seas. It is a message of peace—peace in work and work in peace—. . . . It is . . . a great olive branch that I raise aloft at the end of Year XIV and the beginning of Year XV. Take care! This olive sprouts from an immense forest—from the forest of eight million sharp bayonets wielded by youths of dauntless heart.

A student of the post-war dictatorial style might detect in this ostensibly truculent peace offer a signal to Sir Samuel Hoare that Signor Mussolini had no wish to engage in an Italo-British armaments race. And this reading of the Duce's speech of the 24th October at Bologna was confirmed by the following passage of his speech of the 1st November at Milan:[3]

> Italy is an island. Italians must gradually acquire an insular mentality, because this is the only way to place on the right level the questions relating to the naval defence of the nation. Italy is an island that emerges from the Mediterranean. This sea (here also I speak to the British, who perhaps at this moment are listening on the wireless) this sea for Great Britain is a route, one of the many routes, or rather a short cut, through which the British Empire can reach the territories at its circumference more rapidly. It may be said incidentally that when an Italian, Negrelli, planned the cutting of the Isthmus of Suez, in England more than anywhere else he was considered a madman. If for others the Mediterranean is a route, for us Italians it is life. We have said a thousand times, and I repeat it, that we do not intend to threaten this route. We do not propose to interrupt it, but we expect, on the other hand, that our vital rights and interests shall be respected. There are no alternatives; it is necessary that the thinking minds in the British Empire should realize that the fact is accomplished and irrevocable. The sooner the better. A bilateral clash is not to be thought of, and much less a clash that, from being bilateral, would immediately become European.

[1] Professor Pace went on to explain that while this might be a war in which Italy and Great Britain would be fighting on opposite sides, it might alternatively be one in which Italy would be fighting—for a consideration—as Great Britain's ally.

[2] See the present volume, Part III, section (vii), pp. 581–2.

[3] A translation of the text of the speech will be found in *Documents on International Affairs, 1936* pp. 343–7.

> Consequently there is only one solution; a sincere, rapid and complete agreement based on the recognition of reciprocal interests. But if it were otherwise, if in truth—a thing which I exclude from to-day on—it is the intention to choke the life of the Italian people in that sea which was Rome's, well, then let it be known that the Italian people would spring to its feet like one man, ready for combat, with a decision that would have few precedents in history.

This speech was quoted and commented upon by Mr. Eden in the following terms in the House of Commons at Westminster on the 5th November:

> It will be as well that I should say at once that the implication that freedom to come and go in the Mediterranean is for this country a convenience rather than a vital interest is one which does not fully describe our interests. For us the Mediterranean is not a short cut but a main arterial road. We do not challenge Signor Mussolini's word that for Italy the Mediterranean is her very life, but we affirm that freedom of communication in these waters is also a vital interest in a full sense of the word to the British commonwealth of nations. In years gone by the interests of the two countries in the Mediterranean have been complementary rather than divergent. On the part of His Majesty's Government there is every desire that those relations should be preserved in the future. Consequently we take note of and welcome the assurances that Signor Mussolini gives that Italy does not mean to threaten this route nor propose to interrupt it. Nor do we. Our position is the same. I repeat the assurance that we have no desire to threaten or intention to attack any Italian interest in the Mediterranean. In these conditions it should in our view be possible for each country to continue to maintain its vital interests in the Mediterranean not only without conflict with each other but even with mutual advantage.

The latter part of this passage in Mr. Eden's speech was reaffirmed and underlined by Mr. Baldwin on the 9th November—apropos of the Anglo-Italian clearing and commercial agreements that had been signed at Rome on the 6th November—in a speech delivered in the City of London at the Lord Mayor's banquet in the Guildhall.

Mr. Baldwin's words were well received in Italy, and by the middle of the month there was talk in Europe of an Anglo-Italian *détente* and in Italy of an Anglo-Italian 'Gentlemen's Agreement'.[1] In a resolution passed at Rome on the night of the 18th November, the Fascist Grand Council expressed its 'full approval' of Signor Grandi's report on the present state of Italo-British relations. In the same city on the 3rd December, Sir Eric Drummond had an interview

[1] It was the Italians and not the English who applied this American term to the proposed Anglo-Italian exchange of assurances. A number of letters on the subject which appeared in the British press showed that the use of these words in this context set some English teeth on edge.

with Count Ciano, and there were further meetings between the British Ambassador and the Italian Foreign Minister on the 9th, 19th, 21st and 31st of the same month.

At the very time when, at Italy's instance, these diplomatic moves were being made with a view to easing the tension of Italo-British relations, the area in which this tension was being felt had been extended (as has been noted above) from the Red Sea and the Levant to the Western Mediterranean as a result of Italian military intervention in the Spanish civil war. One of the shapes which this intervention took was an Italian naval and military lodgment on the Balearic island of Majorca on or about the 27th October, 1936, and it was natural to speculate whether Italy's vindication of General Franco's authority here might not have the same ultimate consequences, *mutatis mutandis*, as the French championship of the sovereign rights of the Sultan of Morocco during the past thirty years. In these circumstances, the British *chargé d'affaires* in Rome, acting on instructions from Mr. Eden, had 'informed the Italian Minister for Foreign Affairs "that any alteration of the *status quo* in the Western Mediterranean would be a matter of the closest concern to His Majesty's Government". In taking note of this communication, Count Ciano assured Mr. Ingram that the Italian Government had not, either before or since the revolution in Spain, engaged in any negotiations with General Franco whereby the *status quo* in the Western Mediterranean would be altered, nor [he added] would they engage in any such negotiations in the future. This assurance was subsequently reaffirmed spontaneously to the British Naval Attaché in Rome by the Italian Ministry of Marine, and the Italian Ambassador in London . . . on several occasions [gave Mr. Eden] similar verbal assurances.' These facts were made public, in the words just quoted, by Mr. Eden himself in answer to a parliamentary question which was put to him in the House of Commons at Westminster on the 16th December; and on the 31st December at Rome a pair of notes on the same subject was exchanged between Sir Eric Drummond and Count Ciano. The British Ambassador's note began with a recitation of Mr. Eden's statement of the 16th and continued as follows:

> In view of these assurances, His Majesty's Government in the United Kingdom assume that, so far as Italy is concerned, the integrity of the present territories of Spain shall in all circumstances remain intact and unmodified. They would, however, be grateful if your Excellency saw your way formally to confirm the accuracy of this assumption, and I have accordingly the honour to inquire whether your Excellency could supply me with such confirmation.

Count Ciano's note began with a corresponding recapitulation of past history and went on to respond in the following terms to the latter part of Sir Eric Drummond's communication:

> I have consequently no difficulty, on behalf of the Royal Italian Government, in confirming the accuracy of His Majesty's Government's assumption—namely, that, so far as Italy is concerned, the integrity of the present territories of Spain shall in all circumstances remain intact and unmodified.

This exchange of notes on the 31st December regarding the two local problems of Spain and the Western Mediterranean paved the way for the signature at Rome, on the 2nd January, 1937, of the following joint Anglo-Italian 'declaration concerning assurances with regard to the Mediterranean' as a whole:

> His Majesty's Government in the United Kingdom and the Italian Government:
>
> Animated by the desire to contribute increasingly, in the interests of the general cause of peace and security, to the betterment of relations between them and between all the Mediterranean Powers, and resolved to respect the rights and interests of those Powers;
>
> Recognize that the freedom of entry into, exit from and transit through, the Mediterranean is a vital interest both to the different parts of the British Empire and to Italy, and that these interests are in no way inconsistent with each other;
>
> Disclaim any desire to modify, or, so far as they are concerned, to see modified, the *status quo* as regards national sovereignty of territory in the Mediterranean area;
>
> Undertake to respect each other's rights and interests in the said area;
>
> Agree to use their best endeavours to discourage any activities liable to impair the good relations which it is the object of the present declaration to consolidate.[1]
>
> This declaration is designed to further the ends of peace and is not directed against any other Power.

In this declaration and the antecedent exchange of notes the most striking provisions were perhaps those which were conspicuous by their absence. In the exchange of notes, Italy guaranteed the integrity of Spain but made no reference to her independence; so that Great Britain had obtained no assurance that Italy would not attempt to swallow Spain whole by the process of carrying into power, on a moving 'forest' of Italian bayonets, a Spanish Government who would only be able to remain in office if they resigned

[1] This clause was presumably inspired by British objections to the anti-British propaganda that was being broadcast in Arabic from Italian stations which were undoubtedly under the complete control of the Government at Rome.—A. J. T.

themselves to staying impaled in perpetuity upon this sharply pointed Italian support. Again, in the joint declaration there was no provision for a limitation of armaments on an agreed ratio; and this remarkable omission meant that Italy, on her side, had obtained no assurance that the British Government would not attempt to increase the British margin of naval superiority in the Mediterranean over Italy's naval strength on the lines of Sir Samuel Hoare's statement of the 22nd September.

Nevertheless, the declaration was greeted in Italy with some complacency as involving an indirect British recognition of Italy's new status as an imperial Power,[1] and the use of the word 'integrity' in the exchange of notes was unofficially, but not unauthoritatively, interpreted in Rome as entitling Italy to see to it that General Franco's Government—which had been recognized by Italy and Germany simultaneously, on the 18th November, 1936, as the legitimate Government of Spain—should not suffer that impairment of the integrity of their rightful dominions which would result if a rival Spanish Government were allowed to survive at Valencia, or a Catalan Government at Barcelona, under Soviet Russian influence. This interpretation was apparently confirmed by Signor Mussolini himself when, in an interview which he gave to a German journalist in January 1937, his interlocutor's question 'Would the establishment of a Soviet Republic in Spain or in any part of Spain, for instance in Catalonia, constitute a danger to the *status quo* [in the Mediterranean]?' received from him the answer 'Of course'.[2]

Partly on this account, but perhaps more largely because of the connexion between the new Anglo-Italian exchange of assurances and the recent Anglo-Italian encounter over Abyssinia, the declaration of the 2nd January, 1937, was coldly received by the British public; and something like an apology for it was made by Mr. Eden in the House of Commons at Westminster on the 19th of the same month.

> This declaration is neither a treaty nor a pact, but it marks, we hope and believe, the end of a chapter of strained relations. It marks no departure in policy by His Majesty's Government. It neither calls for nor embodies any concession from us, neither, of course, does it involve any modification of any one of our existing friendships. But that this declaration has been of service to an appeasement in the Mediterranean there can be no manner of doubt. If hon. members want evidence of

[1] At a meeting held on the night of the 1st–2nd March, 1937, the Fascist Grand Council recorded that it 'considers, with satisfaction, that the Italo-British agreement of the 2nd January represents a useful clarification of the relations between the two countries as far as concerns the Mediterranean'.

[2] See the *Völkische Beobachter* of the 17th January, 1937.

that I do not ask them to take the view of the Government but to take the view of the nations in the Mediterranean, and if they will observe the situation there they will find not only that the French Foreign Minister himself warmly welcomed the declaration on the very day it was announced, but that since then similar welcomes have been given by a number of Mediterranean states with whom we have particularly friendly relations. I refer to Turkey, Jugoslavia, and Greece. In accordance with our treaty obligations the Egyptian Government also were kept fully informed and looked with favour on what had been done. All that I submit at this moment—I ask for no judgment and no opinion now—is that the standard by which the agreement is to be judged so far is the opinion of these Mediterranean countries.[1]

The Anglo-Italian declaration had been welcomed by the French because in their eyes the Anglo-Italian quarrel had favoured Germany's ambitions and thereby prejudiced France's security; and from this French standpoint an Anglo-Italian *détente* was the next best thing to a restoration of the Stresa Front.[2] Monsieur Delbos's statement of the 2nd January, 1937, which was referred to by Mr. Eden on the 19th, ran as follows:

I am happy to see that the Governments of Great Britain and Italy have agreed to give evidence of the friendly nature of their relations. An understanding between these two European Powers, which are linked to France by friendly traditions and substantial interests, has always been considered by us as an element of order in the Mediterranean and, in a general way, as a factor in the maintenance of peace.

This statement had already drawn from Mr. Eden a message of thanks in which he had expressed the conviction that the Anglo-Italian agreement would 'contribute, as' was 'its object, to the maintenance of peace in a part of the world in which France' was 'equally interested'. Monsieur Delbos afterwards reaffirmed and elaborated his statement of the 2nd January, 1937, in a speech delivered in the Senate at Paris on the 24th February.

The Jugoslavian Government's contentment with the Anglo-

[1] Mr. Eden might have added that the Anglo-Italian declaration of the 2nd January, 1937, had been promptly and warmly welcomed in the Austrian and Hungarian press. The ostracism of their patroness Italy by the other states members of the League of Nations had placed Italy's two Danubian satellites in a painful quandary, and they hoped to obtain release from this as an incidental consequence of the *détente* between Italy and Great Britain.

[2] The French appear to have been slow to realize that the Stresa Front and the Anglo-Italian quarrel were two inseparable effects of a single cause. It was the Italo-French agreement of the 7th January, 1935, that had generated them both; and the price which Monsieur Laval had paid to secure Italy's solidarity with France against Germany had necessarily involved the opening of a breach between Italy and Great Britain; for Monsieur Laval had bought Italy by selling Abyssinia and, with Abyssinia, the Covenant of the League of Nations.

Italian agreement, in its bearing upon the interests of Jugoslavia, was likewise reaffirmed by the Prime Minister, Dr. Stojadinović, in an *exposé* of the international situation which he made on the 5th February, 1937, to the Finance Committee of the Skupsčina, and again in a speech, presenting the estimates for the Ministry of Foreign Affairs, which he made to the whole House on the 4th March. On the former of these two dates, Dr. Stojadinović was also in consultation with the Turkish Minister for Foreign Affairs, Monsieur Aras, who was passing through Belgrade that day on his way home from Italy;[1] and in the *communiqué* on this meeting which was published in Belgrade it was announced that the two statesmen had 'saluted' the conclusion of the Anglo-Italian agreement 'with satisfaction'. In the eyes of the Governments of these and other countries of lesser calibre which had Mediterranean seaboards, the Anglo-Italian declaration of the 2nd January, 1937, was reassuring perhaps not only on account of its inclusion of an Italian undertaking to respect the rights and interests and territorial integrity of other Mediterranean countries,[2] but also on account of its omission of any British undertaking to set limits to British rearmament in the Mediterranean area.

[1] For Dr. Aras's visit to Italy on the 2nd–3rd February, 1937, and for a discussion of the question of Italy's attitude towards the Montreux Straits Convention of the 20th July, 1936, see pp. 648–51, above.

[2] For the impression made by this undertaking on the minds of the Turkish Government see p. 649, above.

PART V

THE MIDDLE EAST

(i) Anglo-Egyptian Relations from the Breakdown of Treaty Negotiations in London on the 5th May, 1930, to the Signature of a Treaty in London on the 26th August, 1936.

In a previous volume of this series,[1] the history of the relations between Egypt and Great Britain has been carried down to the date of the breakdown of the treaty negotiations which had been taking place in London in 1930 at a time when a Wafdist Government was in power in Egypt and a Labour Government in the United Kingdom. The date of this breakdown was the 5th May, 1930; but since it would be difficult to give an intelligible account of Anglo-Egyptian relations without bringing the internal affairs of Egypt into the picture to some extent, the narrative has been continued, in this foregoing volume, to include the fall of Nahhās Pasha's Ministry at Cairo on the 19th June, 1930; the formation of a new Ministry by Ismā'īl Pasha Sidqī on the 20th; the prorogation of the Egyptian Parliament on the 21st; and the promulgation, by a Royal Rescript, on the 22nd October, 1930, of a new Constitution for Egypt (supplemented by a new Electoral Law) in place of the Constitution of 1923. In the present chapter of the present volume, which covers the history of Anglo-Egyptian relations during the next six years, the outstanding events that fall to be recorded are, in the field of Egyptian domestic affairs, the restoration of the Constitution of 1923 on the 12th December, 1935, and, in the field of Anglo-Egyptian relations, the signature, on the 26th August, 1936, of an Anglo-Egyptian treaty of alliance.

It will be seen that these two events both occurred at the close of the six-years' period that is here under review; and it is not surprising that it should have taken so long as this to resolve the *impasse* into which both the relations between Egypt and Great Britain and the domestic affairs of Egypt herself had drifted in 1930. The remarkable feature of the Anglo-Egyptian Treaty of 1936 is not the lateness of the date at which it was concluded; it is rather the magnitude of the political achievement which its tardy conclusion represents.

The signature of this diplomatic instrument in London on the 26th August, 1936, at last brought to an end a chapter in the history of Anglo-Egyptian relations which had begun, fifty-four years before,

[1] The *Survey for 1930*, Part III, section (ii).

with the opening of hostilities between British and Egyptian armed forces in Egyptian territorial waters and on Egyptian soil on the 11th July, 1882. Ever since that date, the relations between the two countries had been governed 'in the last analysis' by the brute fact of their utter disparity in arms—a disparity which had been demonstrated in action in 1882 and which the British had it in their power—since they had never withdrawn their army of occupation—to demonstrate again at any time when this might suit British policy.[1] This naval and military basis of Great Britain's position in Egypt during those fifty-four years had been as embarrassing to British as it had been humiliating to Egyptian sensibilities; and again and again the two parties to this irksome relation had sullenly conspired—at times when they were failing to co-operate for any more constructive purpose—to cloak the ugly truth under a smooth façade of 'face-saving' make-believe; yet all the time the true character of the situation had been plain to those Englishmen and Egyptians who were brought into practical contact with it; and this secret knowledge had never ceased to poison the intercourse between them. In the course of half a century this rut had worn deep; and the relations between the two countries had to be lifted out and set upon a smooth and even thoroughfare before a beginning could be made with a fresh attempt at a settlement which, this time, was to end in success—in happy contrast to the dismal series of previous failures.

[1] During the years following the suppression of the rising of March 1919, there were several of these displays of armed strength on the part of the British Government. At the time of the crisis arising out of the murder of Sir Lee Stack on the 19th November, 1924, British military and naval reinforcements were ordered to proceed to Egypt, and the custom houses at Alexandria were occupied by British troops. On the 30th May, 1927, three British warships were sent from Malta to Egyptian ports in order to emphasize the British Government's opposition to certain suggestions with regard to the control and organization of the Egyptian Army which had been unofficially discussed by the War Committee of the Egyptian Government, and which the British Government had mistakenly understood to represent the official recommendations of the committee. Less than a year later, the British Government were once more putting pressure on the Government at Cairo, this time with the object of preventing a Bill regulating public meetings and demonstrations from becoming law. On the 30th April, 1928, five warships were despatched from Malta in support of the British Government's 'final warning'. The Egyptian Government agreed to postpone the examination of the Bill, and the warships, which were still on the way to Alexandria, were instructed to take a new route. When disturbances broke out in July 1930 as a result of the overthrow of Nahhās Pasha's Government by King Fu'ād, warships were again sent to Alexandria, Port Sa'īd, and Suez, but order was restored without any intervention by British troops. (See the *Survey for 1925*, vol. i, pp. 215, 218; the *Survey for 1928*, pp. 238–42, 270–5; the *Survey for 1930*, pp. 216–18.)

If we inquire into the causes of the auspicious change of atmosphere which did in fact take place between 1930 and 1936, and without which the treaty of the 26th August, 1936, could never have been concluded, we shall have to give due weight to several personal factors. One of these was the appearance on the scene of Sir Miles Lampson, who arrived in Egypt on the 8th January, 1934, to take up the office of British High Commissioner in succession to Sir Percy Loraine.[1] In the preliminary stage Sir Miles Lampson succeeded in importing a new cordiality into Anglo-Egyptian relations; and when his efforts had resulted in the opening of 'conversations' it was his personal initiative again that saved them, at a critical moment, from meeting with the all too familiar fate of the series of abortive negotiations which had punctuated the history of Anglo-Egyptian relations during the past twelve years. In fact, Sir Miles Lampson played the part of the good genius in the Anglo-Egyptian drama of 1935–6. Yet his beneficent influence was possibly not so potent a personal factor in bringing Great Britain and Egypt into a long overdue harmony, as was the indirect effect of the action of another personality who was not officially concerned, and who presumably had no interest or desire to see Anglo-Egyptian relations take a turn for the better. In his rôle as an unintentional contributor to an Anglo-Egyptian reconciliation, Signor Mussolini could be described, in the terms in which Mephistopheles introduces himself to Faust, as

Ein Teil von jener Kraft
Die stets das Böse will und stets das Gute schafft.[2]

This Mussolinian factor, however, had an impersonal as well as a personal side; for the influence upon Anglo-Egyptian relations which was exerted at this decisive moment by the head of the Italian State was one of the many international repercussions of Signor Mussolini's act of aggression against Abyssinia;[3] and this international crime, in its turn, was one of several signs and portents of the approaching end of 'the post-war period' of international history.

In a previous volume[4] this 'post-war period' has been viewed as a breathing-space, in which the Powers that had emerged as momentary victors from the General War of 1914–18 enjoyed a temporary relief from external pressure, and took advantage of this precarious

[1] For Sir Miles Lampson's achievements in his previous post as British Minister in China see the *Survey for 1926*, Part III A, section (xii); the *Survey for 1928*, pp. 414, 415; the *Survey for 1930*, Part IV, section (ii); the *Survey for 1931*, Part IV, section (iii) (*a*); and the *Survey for 1932*, pp. 510, 511.

[2] Goethe: *Faust*, ll. 1335–6.

[3] See the *Survey for 1935*, vol. ii, *passim*.

[4] The *Survey for 1934*, Part III A.

respite in order to indulge in political luxuries instead of seizing a perhaps unique opportunity for doing the constructive work that was urgently needed in the international field; and it was this post-war atmosphere that stifled the three abortive attempts at an Anglo-Egyptian settlement that were made at intervals in the span of nearly fourteen years that intervened between the British Government's unilateral declaration of the 28th February, 1922, and the onset of the Italo-Abyssinian crisis in the autumn of 1935. During these years of relative security, Egyptian as well as British statesmen appeared almost to take a perverse pleasure in repeatedly letting slip the chance of an Anglo-Egyptian settlement, at moments when this was actually within their grasp, rather than give in to one another on points of detail which, to a detached observer's eye, bore no proportion to the importance of the main end in view, and which, as a matter of fact, were eventually waived when a rising Italian pressure upon both parties quickened their common desire to clear up the anomalous situation in which they had been previously content to abide.

A characteristic illustration of this temper is afforded by the breakdown of the London negotiations of 1930—after an agreement had been reached on almost every other point—over the question whether Egyptian nationals were to have a right of unrestricted immigration into the Anglo-Egyptian Sudan; for this question was not a practical issue but a point of *amour propre* on both sides,[1] and in the successful negotiations of 1936 it was disposed of in a common-sense give-and-take in which the British conceded not only this but also a number of other Egyptian desiderata in regard to the Sudan in exchange for equivalent Egyptian concessions to British desires in regard to the military clauses of the treaty.

In recording in the present volume the course of events during the six years ending on the 26th August, 1936, we have first to trace the steps by which the deadlock of 1930 was loosened and broken before the Italian stimulus was applied; and since the first steps in this direction were taken in the field of Egyptian domestic affairs, it will be convenient to traverse this field before taking up the history of Anglo-Egyptian relations.

The promulgation of a new Egyptian Constitution and a new Electoral Law on the 22nd October, 1930, was followed up, as soon as the new electoral lists were ready, by the announcement that a general election was to be held in the spring of 1931. The transparent purpose of the Egyptian Prime Minister of the day, Ismā'īl Pasha

[1] See the *Survey for 1930*, p. 212, footnote 5.

Sidqī, and of his master King Fu'ād, was to legitimize the régime which they had established *de facto* in the preceding year by securing for it a retrospective parliamentary sanction; and it was a foregone conclusion that an election held under the existing conditions would produce a Parliament that would be amenable to King Fu'ād's will. Assurance was made doubly sure when the Wafd's attempts to conduct an election campaign were forcibly suppressed by the Government, and when the Wafd retorted by boycotting the election. The polling in two degrees which took place on the 14th May and the 1st June, 1931, produced an overwhelming majority for Sidqī Pasha's own improvised party the Sha'b in combination with his conservative allies of the Ittihād; and the Government's 'making' of the election was not appreciably affected by the widespread rioting, with a heavy toll of bloodshed and deaths, which preceded and accompanied the primaries. The new Egyptian Parliament duly met on the 20th June, 1931, and reassembled on the 17th December; but the most important event that was precipitated by the election of 1931 had occurred long before either of these dates, and this was the pact of the 31st March, 1931, between the leader of the Wafd, Mustafā Pasha Nahhās, and the leader of the Liberal Party, Muhammad Pasha Mahmūd. This reconciliation may not have been complete, but it was nevertheless noteworthy, considering that, no farther back than 1928, Mahmūd Pasha had been playing what was now Sidqī Pasha's rôle, while, as lately as 1929, Nahhās Pasha had given Mahmūd Pasha the throw[1] which he was now hoping to give to Sidqī Pasha. The two Egyptian party leaders must be credited with a certain magnanimity and breadth of view for having achieved even a partial understanding when this required of them both a forgiveness and a forgetfulness of so disagreeable a chapter of recent history. The immediate common purpose that brought the Wafd and the Liberals together was the restoration of constitutional government in Egypt itself; but the pact of 1931 incidentally created a nucleus for that United Front which consolidated itself in 1935 and obtained the treaty with Great Britain in 1936.

While the Wafdist-Liberal pact was thus the outstanding event of the year 1931, the year 1932 witnessed no event of any great importance either in the field of Egyptian domestic affairs or in that of Anglo-Egyptian relations. A secession of a moderate minority from an uncompromising majority of the Wafd failed to shake Nahhās Pasha's position to the degree anticipated by his political opponents; and a rumour that fresh Anglo-Egyptian negotiations

[1] See the *Survey for 1930*, pp. 202–4.

were in prospect proved to be without foundation.[1] The year 1933, on the other hand, witnessed the fall of Sidqī Pasha—an event which opened the way for a return in Egypt to a more responsible and representative system of government.

Sidqī Pasha's fall was brought about partly by ill health and partly by an administrative scandal— the so-called 'Badari Case'[2]— which cleft a split in the Cabinet between the Prime Minister himself and 'Alī Pasha Māhir, his Minister for Justice. The Prime Minister's policy was to hush the scandal up, while his colleague, whose department was directly concerned, insisted upon probing it and taking measures for preventing the recurrence of incidents of the kind. In this ministerial struggle Sidqī Pasha won the first round; for on the 4th January, 1933, he was able to reconstruct his Cabinet with the omission of both Māhir Pasha and 'Abdu'l-Fattāh Pasha Yahyā, the former Minister for Foreign Affairs, who had taken Māhir Pasha's part.[3] On the 26th January, 1933, however, Sidqī Pasha was felled by a paralytic stroke which compelled him to leave Egypt in order to take a cure in Europe; after an absence of some four months he resigned upon his return home in September;[4] and on the 27th of that month a new Ministry was formed by 'Abdu'l-Fattāh Pasha Yahyā, whom Sidqī Pasha had forced out of office less than nine months before.

This replacement of Sidqī Pasha by Yahyā Pasha was followed by another twelve months of quiescence during which Egypt continued to be governed much as before by a new Ministry which had not brought with it any change of system. The reins of power remained in the hands of King Fu'ād, and the next crisis in the domestic politics of Egypt arose when the King became incapacitated by illness and the reins slipped out of his fingers into those of his confidant the Controller of the Royal Estates, Zakī Pasha al-Ibrāshī; for those Egyptians who had acquiesced in the personal rule of the King rebelled against being ruled by an officer of the King's house-

[1] This rumour appears to have arisen out of a meeting in Switzerland in September 1932 between Sidqī Pasha and Sir John Simon, who was at that time Secretary of State for Foreign Affairs in the Government at Westminster.

[2] Two young men who had been convicted by a court of first instance of being guilty of the murder of the Ma'mūr of Badari were found, on appeal to the Court of Cassation, to have been acting under extreme provocation, inasmuch as the Ma'mūr had previously put them to torture after having arrested them on a trivial charge. The ventilation of this particular scandal at once brought to light a whole crop of similar cases.

[3] For different reasons Sidqī Pasha also omitted Tawfīq Pasha Dōs, the former Minister for Communications.

[4] The actual date of Sidqī Pasha's resignation was the 21st September, 1933.

hold in the name of his master; and Ibrāshī Pasha's fortuitous rise to a position of irresponsible power thus brought the whole question of 'Palace Government' to a head. In these circumstances the Prime Minister asked for the advice of the Acting British High Commissioner, Mr. Peterson, and appears to have elicited the reply that, in the opinion of the Government at Westminster, Egypt would be happier if Ibrāshī Pasha's wings were clipped. This incident evoked an unholy alliance between the Palace and the Wafd for the purpose of opposing what they agreed to represent as being an unwarrantable British interference in Egyptian internal affairs. Nevertheless, the discomfiture of Ibrāshī Pasha was foreshadowed on the 27th October, 1934, in the appointment of an elder statesman, Ahmad Pasha Zīwar,[1] to the post of Chief of the Royal Cabinet—an office which had been in abeyance since the retirement of its last incumbent, Tawfīq Pasha Nasīm, in 1931. Thereafter, on the 6th November, 1934, Yahyā Pasha's Ministry resigned; and, this time, a genuine change of régime was portended when the King invited Tawfīq Pasha Nasīm to be Yahyā Pasha's successor; for the reason why Nasīm Pasha had retired from his previous office as Chief of the Royal Cabinet was that in that capacity he had advised against the promulgation of the Constitution of the 22nd October, 1930, and had seen his advice ignored. After that, he had declined to accept a royal nomination to a senatorship because an acceptance would have committed him to swearing fidelity to the new Constitution. Nasīm Pasha had thus proclaimed himself by his acts to be a convinced opponent of 'Palace Government' and advocate of a return to a constitutional régime; and upon receiving the King's invitation to form a new Ministry in succession to Yahyā Pasha he made his acceptance dependent upon the fulfilment of a number of conditions. These terms were not made public; but there was reason to believe that the King began by hesitating to agree to them and ended by acquiescing in those that were of most importance. In any case, Nasīm Pasha accepted the King's invitation definitively on the 12th November, 1934; and the nature of the principal conditions upon which he had successfully insisted may be gauged from the fact that, on the 30th November, 1934, King Fu'ād signed a decree abrogating the Constitution of 1930 and dissolving the Parliament which had been elected on the basis of it in 1931.

This was the turn of the tide of Egyptian domestic politics; and the continuance of the flow in a constitutional direction was registered

[1] For Zīwar Pasha's previous career, see the *Survey for 1925*, vol. i, Part III, section (i), and pp. 251 *n.*, 265, 266.

by a number of symptoms during the interval between the close of the calendar year 1934 and the onset of the Italo-Abyssinian crisis in the summer and autumn of 1935. On the 8th–9th January, 1935, the Wafd lifted up its head at a national congress which was attended by some 25,000 persons. Before the end of the same month the students of Al-Azhar went on strike, with the support of the ʿulamā, as a protest against the new Government's delay in reinstating the former Rector Shaykh Mustafā al-Marāghī in place of the reigning Rector Ahmad az-Zawahrī. On the 10th April the Governing Body retorted to the strike by taking a decision that the university should be closed until the 1st October. On the 23rd April, however, Shaykh Ahmad az-Zawahrī found himself constrained to resign nevertheless. The unpopular Shaykh had outlasted the unpopular Controller of the Royal Estates by one day; for Ibrāshī Pasha's resignation had been tendered and accepted on the 22nd April. This was followed on the 1st May by the resignation of Zīwar Pasha—who felt that his own task was accomplished now that Ibrāshī Pasha was out of the way—from the office of Chief of the Royal Cabinet; and this resignation, likewise, was accepted by the King on the 12th May.

King Fu'ād's retort to Nasīm Pasha for his share in bringing about Ibrāshī Pasha's fall was an attempt to play off the Wafd against the Prime Minister of the day as he had played them off against Mahmūd Pasha in 1929;[1] but in 1935 the King was no longer in sufficiently good health to carry on his game of dividing and ruling the politicians with his old skill. His intervention in April 1935, which was destined to be his last political manœuvre, was characteristic in everything except the all-important point that it was not effective. This time the object of the King's attack succeeded in holding his ground. Nasīm Pasha remained in office until the 22nd January, 1936; and his resignation on that date was followed within little more than three months by King Fu'ād's own death on the 28th April. Nor was it the political activities of King Fu'ād that were the principal anxiety of the Egyptian Prime Minister during the last twelve months of King Fu'ād's life. From the autumn of 1935 onwards, the domestic politics of Egypt were overtaken and overshadowed by the crisis into which her foreign relations were thrown as a result of the impact of the Italo-Abyssinian conflict.

This conflict affected Egypt closely in several different ways. In the first place her sympathies were engaged on behalf of a fellow African country. In the second place, decisions were required of her,

[1] For the circumstances of Mahmūd Pasha's fall in that year, see the *Survey for 1930*, pp. 202–4.

as a state with at least the formal attributes of sovereignty, in face of a war between two of her neighbours. In the third place, she found herself at closer quarters geographically with the belligerents than any of the other countries that, like Egypt herself, were not actually engaged in the struggle. And in the fourth place the difficulties and dangers of her position were vastly increased by the consequences that now began to flow from her anomalous relation with Great Britain. In fact, these consequences were so grave that they inevitably raised the whole of the Anglo-Egyptian question more urgently than it had ever been raised before. Of these four points, the first two have already been dealt with in a previous volume of this series;[1] it is the third and fourth points that concern us here.

Both Egyptian and English minds were torn between conflicting feelings and considerations under the stress of the crisis in Anglo-Egyptian relations that was produced by the Italian attack upon Abyssinia and the imposition of sanctions against the aggressor by the other states members of the League.

On the Egyptian side, the popular feeling on behalf of Abyssinia made it easy for the Egyptian Government to follow suit to the British Government in their policy towards Italy. Egypt was, in fact, the only state outside the membership of the League to adopt the sanctions that were recommended by the Co-ordination Committee;[2] and the specially sharp protest from the Italian Government which this Egyptian act evoked accentuated the consciousness in Egypt of the peril in which Egypt might find herself of an attack by a Mediterranean Power who was in the act of demonstrating her readiness to commit aggression farther afield and who might be tempted, if ever the opportunity were to present itself, to fall upon another African country which was both richer and more easily accessible than Abyssinia. With Italy hot-foot on her African war-path the Egyptians became aware that the irksome connexion with another Great Power to which they had been compelled to submit for the past half century had at least the negative merit of ruling out a still more disagreeable alternative. The military occupation of Egypt by the most grossly sated Power in the World guaranteed her against being occupied by a Power which was hungry for empire, and which might therefore be expected to batten upon any prey that fell into its maw. At the same time, as the tension between Italy and Great Britain mounted towards a pitch at which it seemed likely to

[1] See the *Survey for 1935*, vol. ii, pp. 90, 96–9, 237, 514 *n.*
[2] See *op. cit.*, pp. 97, 237.

resolve itself in war,[1] the Egyptians had to face the possibility that the British occupation might save Egypt from the calamity of an Italian conquest at the price of involving her in that of becoming an Anglo-Italian battlefield; and while the first of these two possible alternatives might be morally, the second was likely to be materially, the more disastrous for Egyptian interests.

The Egyptians were now paying the penalty for the levity of which they had been guilty, on their side, in allowing the Anglo-Egyptian negotiations of 1930 to fall through after an agreement had been reached on the question of the British armed forces on Egyptian soil—a question which had been the stumbling-block in the preceding negotiations of 1928.[2] If an Anglo-Egyptian treaty had been signed in 1930, then in 1935 the British Government would have found their military rights on Egyptian soil and naval rights in Egyptian territorial waters strictly defined and limited; and either they would have been unable to make use of Egyptian facilities for British naval and military purposes to an extent that would have been dangerous for the maintenance of Egypt's neutrality, or else they would have had to obtain the Egyptian Government's consent and agree to the Egyptian Government's terms for exceeding these limits. As things were, Great Britain—having obtained from Turkey a renunciation of Ottoman sovereignty over Egypt in the Peace Treaty of Lausanne[3]—was now bound by nothing but her own unilateral declaration of the 28th February, 1922, in which she had recognized Egypt as an independent sovereign state, with the proviso that four points were 'absolutely reserved to the discretion of His Majesty's Government until such time as it' might 'be possible by free discussion and friendly accommodation on both sides to conclude agreements in regard thereto between His Majesty's Government and the Government of Egypt'. The first of these points was 'the security of the communications of the British Empire in Egypt'; the second was 'the defence of Egypt against all foreign aggression or interference, direct or indirect'.

The fact that the Anglo-Italian crisis of the autumn of 1935 found Great Britain still possessed of this completely free hand to make military and naval use of Egyptian territory and territorial waters was no doubt as gratifying to those British authorities who were directly responsible for the disposal of the British armed forces as it

[1] See *op. cit.*, pp. 90, 97, 191–2, 248 *seqq.*, 279, 292 *seqq.*, 318.
[2] See the *Survey for 1930*, p. 189.
[3] The relevant articles of the Lausanne Treaty of the 24th July, 1923, are quoted in the *Survey for 1925*, vol. i, p. 198.

was disconcerting for the Egyptian Government and people. On a larger view of British interests, however, the technical advantage of enjoying these facilities in Egypt might be outweighed by certain consequences that might follow from Egypt being converted into a British *place d'armes*. For one thing, the visible concentration of British forces in Egypt might arouse in Egyptian minds a stronger resentment than could be excited by the distant and unseen Italian invasion of Abyssinia. For another thing, the stand which Great Britain was taking against an Italian act of aggression upon a backward African state might be weakened morally by the spectacle of Great Britain preparing to vindicate the principles of the Covenant by strengthening her armed forces in a much more civilized African country which she herself had been holding without any legal title for more than half a century by means of a military occupation which had originally been established by force of arms.

Thus, for both parties, the irksomeness of the anomalous relation which had obtained between Great Britain and Egypt since 1882 was intensified, under the stress of the international crisis of the autumn of 1935, to a pitch at which it could no longer be borne. The Italo-Abyssinian conflict forced an Anglo-Egyptian issue which had been pending for fifty-three years.

The first symptom of impending trouble between Egypt and Great Britain showed itself in the field of Egyptian domestic politics in the guise of trouble between Nasīm Pasha and the Wafd. The successive military and naval measures which were being taken by Great Britain on Egyptian land and water in the autumn of 1935 were being covered politically by the assent of the Prime Minister of Egypt. Nasīm Pasha's tenure of office, however, depended upon his keeping on good terms not only with the British Government but also with the Wafd; and it was becoming increasingly difficult for Nahhās Pasha to justify, in the eyes of his own followers, a policy of lending the countenance of the party to a non-Wafdist Prime Minister who was not only ruling without a Parliament, but who might seem to be taking advantage of his irresponsible position in order to condone new British encroachments upon Egyptian sovereignty—encroachments which an Egyptian patriot might well denounce as being fraught with mortal danger to Egypt's peace, quite apart from their woundingness to Egyptian dignity and their awkwardness as possible precedents for British action in the future. This latent trouble between the Wafd and Nasīm Pasha seems to have been brought to a head by the news of Mr. Runciman's announcement, in an election speech delivered at Penzance on the 18th October, 1935, that the

base of the British fleet in the Mediterranean had been transferred from the British fortress of Malta to the Egyptian port and city of Alexandria. And the growing demand in Egypt that the anomalous relation between Egypt and Great Britain should now be cleared up without delay was stiffened, instead of being stifled, by a press message from London which reached Cairo on the 30th October, 1935. According to this report, it was considered in 'British official circles' that 'it would be a great tragedy should Egypt try to take advantage of the present situation to obtain commitments and undertakings from the United Kingdom for which . . . the time' was 'manifestly inopportune'.[1]

Such an attitude on the British side appeared in Egyptian eyes to be both unfair and unreasonable—unfair because it ignored the goodwill which Egypt had been showing to Great Britain by supporting British policy in the Italo-Abyssinian crisis, and unreasonable because it also ignored the fact that, as a direct consequence of the existing state of Anglo-Egyptian relations, Egypt now found herself in genuine danger of being turned into a battle-field through British naval and military dispositions over which the Egyptian Government were unable to exercise any control, notwithstanding the fact that the theatre of this British action lay in Egyptian waters and on Egyptian territory. These Egyptian feelings about the British attitude were not confined to the Wafd; and indeed by this time they were beginning to be expressed in public by spokesmen of all parties. Sidqī Pasha had gone so far as to call for 'a united front' in a programme issued as early as the 12th October; and on the 7th November this call was accepted and repeated by the leader of the Liberals, Mahmūd Pasha, in a speech, addressed to representatives of all the non-Wafdist Egyptian political parties, in which the speaker criticized Nasīm Pasha for his alleged subservience to Great Britain, called for the prompt negotiation of an Anglo-Egyptian treaty which would complete the restitution of Egypt's independence, and assured Great Britain that, if she were to meet Egyptian desires in this way, she could count upon Egyptian co-operation in peace or war in accordance with the agreed terms of the draft treaty of 1930.

It remained to be seen what the British Government's policy towards Egypt really was; and a statement of it which was as unpalatable as it was authoritative was given by the Foreign Secretary himself, Sir Samuel Hoare, on the 9th November, 1935, at the Lord Mayor of London's Banquet in the Guildhall on that date.

It has been alleged [Sir Samuel Hoare announced on this occasion]

[1] *The Times*, 5th November, 1935.

that His Majesty's Government wish to use the present situation in order to advance their own at the expense of Egypt's interests. This is not true. His Majesty's Government have been doing their best to promote free and friendly co-operation between the two countries in their mutual interest. Egypt has to our growing pleasure responded in a spirit of frank collaboration which cannot but assist our two Governments when the time comes for our relations to be placed upon a permanent footing satisfactory to both. Equally untrue are the allegations that we oppose the return in Egypt of a constitutional régime suited to her special requirements. With our traditions we could not and would not do any such thing. When, however, we have been consulted we have advised against the re-enactment of the Constitutions of 1923 and 1930, since the one was proved unworkable and the other universally unpopular. History and geography have linked together our fortunes. As friends and associates we must deal frankly with each other, facing the facts, overcoming, if we can, the difficulties, and always determined to understand each other's point of view.

This British official pronouncement in the City of London raised a storm in the country towards which it was directed. The first effect of the news in Egypt was to move the Wafd, at a party meeting held on the night of the 12th November, to withdraw the support which the party had hitherto been giving to Nasīm Pasha; for one of the principal publicly declared grounds for this support had been a belief that Nasīm Pasha intended to re-establish the Constitution of 1923 sooner or later, and, as a result of the British Secretary of State's speech, the unhappy Egyptian Prime Minister was now made to appear in the odious light of a traitor on the home front as well as in the field of foreign policy. On the 13th November he was formally called upon by the Wafd to resign. The main target of Egyptian indignation was, however, not Nasīm Pasha but the foreign Power whose tool he was supposed to be; and riots with a definitely anti-British animus broke out at Cairo and at Tantā on the 13th and were renewed next day.

Meanwhile, Nasīm Pasha issued a public statement which threw further light on the political facts. It appeared that the British advice—which he had interpreted as a command—against the re-establishment of the Constitution of 1923 had been conveyed to him, through Sir Miles Lampson, from Downing Street after Nasīm Pasha had obtained King Fu'ād's conditional consent to the resuscitation of a Constitution which the King himself had put out of action.[1]

[1] According to Nasīm Pasha's statement, the King had made this concession as far back as the 18th April, 1935. The King's consent to the revival of the Constitution of 1923 had, however, been conditional upon there being no indication of any clear preference for a new Constitution in the minds of the Egyptian people.

Nasīm Pasha went on to record that he had raised the constitutional question again with the British High Commissioner on the 18th October in the context of the Italo-Abyssinian crisis, and had also represented to him on the same occasion that the Egyptian people were now more eager than ever to make themselves responsible as far as possible for the defence of their own country and to arrive at a comprehensive settlement of Anglo-Egyptian relations. On the 7th November, the Egyptian Prime Minister's representations on the second of the two points had been answered in a note from Sir Miles Lampson declaring that the British Government looked forward to arriving at a permanent settlement 'at an opportune moment'. In regard to the question of the re-establishment of the Constitution of 1923, the only reply so far had been the relevant passage in Sir Samuel Hoare's speech in the City of London.

Nasīm Pasha's statement inflamed the public resentment in Egypt against Great Britain without availing to take the edge off the resentment against Nasīm Pasha himself; and on the 19th November the public funeral of a student who had died of injuries received in the rioting on the 13th–14th provided the occasion for an Egyptian national demonstration in Cairo in which not only Mahmūd Pasha but Sidqī Pasha as well as Nahhās Pasha took part. On the same day the Egyptian press published the text of an appeal, addressed by the Wafd to the Secretary-General of the League of Nations, in which Egypt was declared to be 'the victim of manifest aggression'. The 21st November was kept in Egypt as a day of national mourning; and, though this day passed off with only minor disturbances, there was a fresh outbreak of rioting in Cairo on the 2nd December in which the Wafd was once more the moving spirit, and in which one of the targets of attack was this time Mahmūd Pasha's house. This was the height to which the new wave of unrest in Egypt had risen by the time when Sir Samuel Hoare took up his parable again in a speech in the House of Commons at Westminster on the 5th December.

On this occasion Sir Samuel Hoare began by re-affirming his own statement of the 9th November[1] in regard to the advice which had been given to the Egyptian Prime Minister by the British Government in the spring of 1935; but in returning to the subject the British Secretary of State now explicitly contested the allegation that the advice had been tantamount to a veto upon the revival of the Constitution of 1923, or at variance with Nasīm Pasha's own inclinations.

[1] See the passage quoted from Sir Samuel Hoare's speech of the 9th November, 1935, on pp. 673–4, above.

> Last spring, when consulted with reference to a restoration of the constitutional life in Egypt, His Majesty's Government did not disguise their view that, as experience had shown, neither the Constitution of 1930 nor the Constitution of 1923 was suited to Egypt, though they accompanied this advice with suggestions, repeated more than once, that steps should be taken with a view to the drafting of an organic law acceptable to all elements in Egypt and agreed by them as really suitable to the country's requirements. From the terms of the letter which the Prime Minister addressed to King Fu'ād on the 17th April last it seemed that this suggestion did not conflict with views held by His Excellency himself. In the *communiqué* which he issued on the 24th November Tawfīq Pasha Nasīm refers to a formula suggested to him in May by His Majesty's High Commissioner. I should explain that the formula was not at all intended as an indication of a veto, but as a suggestion for use by the Prime Minister in making clear in Egypt his own position on this question, if indeed it correctly represented his views. The formula was to the effect that no one was opposed to a return to Parliamentary life at the appropriate moment, that it was for the Egyptian Government to study the question in all its aspects with a view to finding a form of Constitution suitable to the real needs of Egypt, and that it was for the Egyptian Government to decide the manner of elaborating this suggestion, preferably by means of a drafting committee comprising, if possible, elements of all the political parties. I hope that this may dispose of the idea that His Majesty's Government were intervening to impose any veto on a return to constitutional life, or attempting in any way to dictate the form of the law on which that constitutional life should be based.

The Foreign Secretary then referred frankly to the fear which was rife in Egypt 'that His [Britannic] Majesty's Government might wilfully, or under pressure of circumstances, take measures in Egypt in the enforcement of which they would ignore the status of Egypt under the Declaration of 1922 or actually modify it'; and he went on to declare that the Government of the United Kingdom had 'from the beginning sympathetically realized the existence of these misgivings and by assurances and practical measures' had 'sought to demonstrate their entire lack of foundation'. He further conceded that these misgivings had 'given rise to an honest wish [in Egypt] to safeguard the rights of Egypt by submitting any measures agreed by the Government to the approbation of the representatives of the people'; and that this consideration had led the British Government 'to repeat their advice that the measures necessary for the drafting of a Constitution should be proceeded with'. At this point Sir Samuel Hoare struck a note of regret that the purport of his speech of the 9th November had been misrepresented in Egypt, and he now attempted to repair the resultant damage to Anglo-Egyptian

relations by re-enunciating the British Government's policy in the following terms:

> Let me say once more that His Majesty's Government are not unsympathetic to Egyptian aspirations. They are imbued with the friendliest feelings towards Egypt; and it is for this reason that they consider it proper to make a frank statement of their attitude. Friendship and co-operation can only develop in an atmosphere of frankness, sympathy, and realism. So much for the constitutional aspect of the question. Let me say a word . . . about the position in connexion with the treaty. His Majesty's Government look forward to the establishment of Anglo-Egyptian relations on a permanent footing satisfactory to both countries. The whole matter is receiving their earnest and constant consideration with a view to finding the best means of achieving this result and of ensuring—and I emphasize this point—that the failures of the past shall not be repeated. His Majesty's Government have no intention of letting the matter drift, but it is obviously impossible for them, in the midst of the preoccupations caused by the war in Abyssinia, simultaneously to engage in negotiations on a matter of such importance. They will not, therefore, I feel sure, be expected here and now to fix a definite date for beginning negotiations which, as experience shows, present a number of difficulties and complications. That is not to say that they do not consider a solution possible, or that its achievement should be regarded as relegated to a dim and distant future.

This statement produced, however, the opposite effect to that which had manifestly been intended by the speaker, and Sir Samuel Hoare's speech of the 5th December, 1935, had (if that were possible) an even worse reception in Egypt than his speech of the 9th November.

The British statesman's re-iterated insistence, in reply to the present Egyptian request for negotiations, that an Anglo-Egyptian settlement must wait upon the more pressing exigencies of the Italo-Abyssinian crisis sounded in Egyptian ears like an insufferable echo of a previous British Government's reply to other Egyptian representations in the same sense which had been made in London on the eve of the Peace Conference of Paris. On that previous occasion, now seventeen years past, the British Government had refused to consider a suggestion that an Egyptian delegation should proceed to London in order to discuss the future status of Egypt before the opening of an international conference at which Egypt's destiny, as one of the dominions of the Ottoman Imperial Crown, would be decided in the prospective treaty of peace between the Ottoman Empire and the Principal Allied and Associated Powers;[1] and on that occasion, likewise, the reason which the British had given for putting

[1] See the *History of the Peace Conference of Paris*, vol. vi, pp. 197–8.

the Egyptians off had been the preoccupation of British Ministers' minds with more important affairs of state than the question of Anglo-Egyptian relations. The implication was that a question which was a matter of life and death for Egypt was only a matter of secondary concern for the foreign Power which was insisting, nevertheless, upon holding the web of Egypt's destiny in its own unsympathetic hands; and such an attitude on the British side was as wounding to Egyptian susceptibilities, if it was to be accepted as sincere, as it was provocative to Egyptian passions if it was to be interpreted as an intimation that the British Government intended on one pretext or another to postpone an Anglo-Egyptian settlement to the Greek Kalends. On the earlier occasion, these British tactics of procrastination had precipitated the Egyptian insurrection of March 1919, made a hero of Sa'd Pasha Zaghlūl, and called into existence, in the shape of the Wafd, an Egyptian nationalist organization with an apparently inexhaustible capacity for playing upon the emotions of the Egyptian masses. The British rebuff to the Egyptian request for a hearing at the Peace Conference was, in fact, the *fons et origo* of an Anglo-Egyptian misunderstanding which was still unbridged in 1935; and to Egyptian eyes the passage, quoted above, in Sir Samuel Hoare's speech of the 5th December, 1935, read almost as though it had been deliberately designed to rub salt into this still open wound instead of being intended, as it undoubtedly was in the speaker's mind, to be taken by the Egyptians as an olive-branch.

The immediately following week was, indeed, perhaps the most critical juncture in the course of Anglo-Egyptian relations of any since the publication of the British declaration of the 28th February, 1922; for, apart from the fact that an error is inevitably aggravated by repetition, the possible consequences of an Anglo-Egyptian imbroglio were much more alarming in 1935 than they had been in 1918. 'If they do these things in a green tree, what shall be done in the dry?'[1] When Egypt had broken into insurrection in March 1919, Great Britain had found herself in an unusually favourable position for meeting this emergency, since she had just extricated herself, as a victor, from the General War of 1914–18.[2] In December 1935, on

[1] Luke xxiii. 31.

[2] The militancy which had been instilled into a number of Islamic peoples by the psychological effects upon them of the General War of 1914–18 did not come to a head until after the Armistice of the 11th November, 1918 (see the *Survey for 1925*, vol. i, pp. 9–10). This time-lag in the explosion had been a stroke of luck for the European victors; but they could not count on being so singularly favoured by Fortune for a second time.

the other hand, Great Britain, instead of being lately quit of a war with Germany, was facing what appeared at the time to be an imminent prospect of a war with Italy; and in this situation another anti-British outbreak in Egypt on the scale of the insurrection of March 1919 would have been gravely embarrassing for Great Britain, not only from the strategic but also from the moral point of view. The immediate reaction in Egypt to Sir Samuel Hoare's speech of the 5th December, 1935, was hardly less violent than the reaction in 1919; but this time the storm was allayed, almost as soon as it had been raised, by what would appear to have been in fact, if not in formula, a radical change in the direction of British policy.

The first effect of the speech in Egypt was to set the Egyptian political parties in rapid motion towards a united front.[1] The next effect was to excite the students in Cairo into another outburst of rioting which began on the 8th December and continued on the 9th. By the 11th the pressure upon Nasīm Pasha had become so intense that on that day he informed his colleagues that the Cabinet would have to resign owing to the attitude of the British Government over the question of the Egyptian Constitution. This decision of the Egyptian Prime Minister's came to the British High Commissioner's ears, and the action which Sir Miles Lampson then took transformed the situation. On the morning of the 12th December Sir Miles Lampson suggested to Nasīm Pasha, in a personal interview, that, in the light of Sir Samuel Hoare's exposition of policy at Westminster on the 5th, it was evident that the British Government had no intention of dictating the form of the Egyptian Constitution, and that accordingly Nasīm Pasha's decision to resign, on account of a supposed British veto, had been taken on the strength of a misunderstanding. Nasīm Pasha was not slow to act upon Sir Miles Lampson's hint. He immediately summoned an emergency meeting of his Cabinet and informed them that, in the light of what the British High Commissioner had now said, he proposed to cancel his own decision to tender his resignation. From the Cabinet he went straight to the Palace, and before midday he was able to announce that a rescript, re-establishing the Constitution of 1923, had already been signed by King Fu'ād.

In the meantime, the political parties in Egypt had been brought by public pressure to the point of forming the United Front which

[1] The formula of 'a united front' seems actually to have been coined by Sidqī Pasha in a programme which he issued as early as the 12th October, 1935 (see p. 673, above). The call was repeated in a public statement on Sir Samuel Hoare's speech which was made by the same Egyptian statesman on the 6th December (*The Manchester Guardian*, 7th December, 1935).

had been called for by Sidqī and Mahmūd Pashas; and on the morning of the 12th, while Nasīm Pasha was having his successive interviews with Sir Miles Lampson and with his own colleagues and with King Fu'ād, a drafting committee appointed by the new combination of parties was drawing up a petition praying the King to bring the Constitution of 1923 back into force. The completed draft was signed by four ex-Prime Ministers—Nahhās Pasha, Mahmūd Pasha, Sidqī Pasha, and Yahyā Pasha—and was then taken to the Palace by a delegation, representing the United Front, which arrived about an hour after Nasīm Pasha had left with the King's rescript in his pocket. Another document, in the shape of a note from the United Front to the British High Commissioner, was presented to Sir Miles Lampson by Nahhās Pasha the same evening. The main theme of the note was the desirability of immediately negotiating a comprehensive Anglo-Egyptian settlement; and the signatories declared that they were ready to conclude a treaty on the terms agreed upon in the London negotiations of 1930 and to settle in the same friendly spirit those outstanding questions on which, in 1930, no agreement had been reached. This communication, which was couched in conciliatory language, was transmitted by Sir Miles Lampson to London; and this sharp and sudden turn for the better in Anglo-Egyptian relations on the 12th December, 1935, was not undone by an incident between an Egyptian crowd and a British military despatch-rider which occurred in Cairo on the 14th. On the 16th, in the House of Commons at Westminster, Mr. Eden, replying to a parliamentary question, announced that the note from the United Front had been received and was being examined by the Government of the United Kingdom, and in the same statement he took the opportunity to endorse Sir Miles Lampson's interpretation of Sir Samuel Hoare's speech of the 5th.[1] On the 19th December at Cairo the promulgation of the rescript of the 12th for the re-establishment of the Constitution of 1923 was followed up by the re-enactment, with slight modifications, of the Electoral Law of the same year.

The Wafd now girt itself for two struggles: one with the British Government and the other with its own partners in the United Front.

[1] On this point, Mr. Eden's words were:

'His Majesty's Government still hold that the restoration of the 1923 Constitution is not in the best interests of the Egyptian people. As, however, a mistaken impression still existed in Egypt, in spite of the assurances given by the Secretary of State for Foreign Affairs in this House, that their advice on the subject amounted to a veto, they instructed His Majesty's High Commissioner in Cairo to dispel that impression. Sir M. Lampson has been successful in achieving this object.'

Vis-à-vis the other Egyptian political parties, the Wafd was determined to insist upon a monopoly of office for itself if and when the new elections gave the Wafd that absolute majority in the Chamber and the Senate to which the Party confidently looked forward. *Vis-à-vis* Great Britain, the Wafd was equally determined to hold the British Government to the promise—given in London on the 8th May, 1930, by the Secretary of State of the day, Mr. Arthur Henderson—that the British Government would not regard the agreement which had been reached by that date on the majority of the questions at issue as having been voided by the failure to complete the negotiations by arriving at a similar agreement on the points that still remained over. Mr. Henderson had pledged himself, in terms, to take up the negotiations again, at some later date, from the point at which they had been broken off that day if the Egyptians, on their side, were to find themselves, on second thoughts, to be in favour of making another effort to reach a complete agreement;[1] and in the opinion of the Wafd at the turn of the years 1935 and 1936 this British pledge could not be held to have lapsed through effluxion of time or through change of circumstances. It will be convenient here once again to deal with the domestic Egyptian controversy first and with the Anglo-Egyptian controversy afterwards.

The prospect of a resumption of Anglo-Egyptian negotiations worked together with the prospect of parliamentary elections in Egypt itself to put a strain upon the relations between the Wafd and its partners in the United Front at the turn of the years 1935 and 1936; but a rupture was avoided. The crisis came when, at King Fu'ād's suggestion, Nasīm Pasha's Ministry resigned on the 21st January, 1936, with the object of making way for a more representative Government to preside over Egypt's destinies during the forthcoming negotiations; for, when, on the 22nd, the King sent for the leaders of the United Front and asked Nahhās Pasha to form a Coalition Government, the leader of the Wafd declined to fall in with the King's suggestion, and persisted in his refusal, notwithstanding the repeated efforts to induce him to change his mind which were made during the next few days by 'Alī Pasha Māhir, who had succeeded Ahmad Pasha Zīwar as Chief of the Royal Cabinet. This political deadlock evoked fresh outbreaks of violence among students and school-children at Mansūrah and Damanhūr, as well as in Cairo, on the 27th, 28th, and 29th January, and the National University at Cairo had to be closed; but on the 30th January the domestic

[1] For Mr. Henderson's words on this occasion, see the *Survey for 1930*, p. 190.

political crisis was staved off again by the formation of a neutral Cabinet under the presidency of Māhir Pasha himself; and at the same time it was agreed that the Egyptian delegation to the forthcoming Egypto-British conference should consist of six members of the Wafd and five other delegates who were designated by name, with Nahhās Pasha for their chairman. It was also agreed that the date for the general election should be postponed from the 10th March to the 2nd May for the Chamber, and to the 16th May for the elective seats in the Senate.

These dates were forestalled by the death of King Fu'ād on the 28th April; and on the polling-day for the elections to the Chamber Egypt was living under a constitutional interregnum, since the late King Fu'ād's son and successor, King Fārūq, was a minor whose prerogative would have to be exercised by a Regency Council; the late King's nominations for this Regency Council, which he had not made public but had put on paper in a sealed envelope, would have to be ratified by Parliament; and while the Constitution of 1923 provided that Parliament must meet within ten days of the King's death,[1] the Royal Rescript of the 12th December, 1935, had provided that the Constitution of 1923 was not to re-enter into force until the new Parliament, which was to be elected under the new Electoral Law, had been opened. This constitutional tangle was successfully unravelled by the joint efforts of Māhir Pasha and the leaders of the United Front. The polling for the Chamber duly took place on the 2nd; the polling-date for the elective seats in the Senate was advanced from the 16th May to the 7th; the two-fifths of the seats in the Senate which were within the patronage of the Crown were filled by Māhir Pasha (exercising the royal prerogative in his capacity as Prime Minister) in consultation with the United Front;[2] and the new Senate and Chamber duly met in joint session on the 8th May, within the prescribed ten days of King Fu'ād's death, in order to deal with

[1] By the terms of Article 52 of the Constitution of 1923, if the Chamber should have been dissolved and a new one not have been convoked, or only been convoked for a later date than the tenth day after the proclamation of the King's death, then the Chamber that had been dissolved was to revive until the meeting of its successor. In the circumstances of 1936, the question arose—supposing that the newly elected Chamber were unable to meet by the prescribed date—whether the previous Chamber that would temporarily return to life would be the last dissolved Chamber which had been elected under the rescinded Constitution of 1930, or the Chamber elected in 1929, which had been the last to be elected under the Constitution of 1923 before its abrogation in 1930.

[2] Nahhās Pasha made the concession of agreeing that a majority of these fifty-three seats should be bestowed upon representatives of other parties than the Wafd.

the Regency question. When the late King Fu'ād's envelope, which had been sealed as far back as the year 1923, was opened, it was found to contain the names of Tawfīq Pasha Nasīm, Mahmūd Pasha Fakhrī (the late King's son-in-law) and the late 'Adlī Pasha Yakan.[1] The Parliament passed over the two surviving nominees of King Fu'ād and appointed a trio of its own choosing, consisting of the Heir Presumptive and two other persons, both of whom were connected by marriage with the Royal Family. Next day, the 9th May, Māhir Pasha's Ministry resigned, and on the 10th Nahhās Pasha formed a new Ministry consisting exclusively of members of the Wafd. The composition of the new Ministry reflected that of the new Parliament, for the Wafd had won 166 seats out of 232 in the Chamber and 62 out of the 79 elective seats in the Senate. With these parliamentary majorities behind him and with a Regency Council, whose members were beholden to the Wafd for their appointment, occupying the place of the astute and experienced Turkish King who had so often proved more than a match for Egyptian politicians, Nahhās Pasha and his friends found themselves more firmly seated in the saddle when the new Parliament was formally opened on the 23rd May than they had been on any of the three previous occasions on which a Wafdist Ministry had held office.[2]

By the time when Nahhās Pasha once more became Prime Minister of Egypt, he had already been serving for three months as the chairman of the Egyptian delegation which was engaged in the Egypto-British conversations; and the genesis of these conversations can be traced back to the turn of the years 1936 and 1935.

On the 30th December, 1935, the British High Commissioner in Egypt communicated to the leaders of the United Front a preliminary reply from Mr. Eden to their note of the 12th December. The new Secretary of State for Foreign Affairs in Downing Street informed the Egyptian statesmen that he found himself unable to start negotiations immediately, owing to the acuteness of the crisis—both domestic and international—which had arisen over the Laval-Hoare Plan;[3] but at the same time he expressed the hope of being

[1] For 'Adlī Pasha's career, see the chapters dealing with Egyptian affairs in the *Surveys for 1925* (vol. i), *1928* and *1930*.

[2] The Wafd's resolve to guard itself against the risk of ever again falling a victim to the machinations of the Palace was revealed in the announcement of the creation of the new office of Minister of the Palace, the incumbent of which was to be appointed by the Prime Minister and not by the King, and was to be a member of the Ministry. This new office was to overshadow, without supplanting, the older office of Chief of the Royal Cabinet. A new appointment to the latter office was eventually made on the 4th October, 1936.

[3] See the *Survey for 1935*, vol. ii, pp. 280 *seqq*.

able to take up the question of Anglo-Egyptian relations at an early date, and gave his word that in putting off the negotiations for the moment he was not just playing for time. The leaders of the United Front seem to have been convinced of Mr. Eden's good faith; and the new atmosphere of cordiality which had come over Anglo-Egyptian relations since the 12th December was not dispelled, either by a demonstration that was made by Egyptian students in Cairo on the 31st December, 1935, at the opening ceremony of a congress of the International Surgical Society, or again by an accidental and fortunately not fatal shooting incident in Cairo on the 6th January, 1936, in which two British officers were blamelessly involved.

On the 20th January, 1936, a further reply from Mr. Eden to the Egyptian United Front's note of the 12th December, 1935, was communicated to the leaders of the United Front by Sir Miles Lampson. In the words used by Mr. Eden himself in answer to a parliamentary question in the House of Commons at Westminster on the 4th February, 1936,

> in response to the request from the United Front in Egypt, the High Commissioner was instructed to state that His Majesty's Government were prepared to enter forthwith into conversations with the Egyptian Government with the object of arriving at an Anglo-Egyptian treaty settlement. With a view to promoting the prospects of a comprehensive settlement, His Majesty's Government thought it desirable to begin with the categories which had given most difficulty in 1930. They felt that, if these difficulties were surmounted, the prospects of reaching a settlement would clearly be favourable. Sir Miles Lampson has duly informed King Fu'ād, the Egyptian Prime Minister, and members of the United Front of this reply.

The 'categories' that were mentioned in the communication made to the United Front on the 20th January included not only the question of the Sudan, over which the Anglo-Egyptian negotiations of 1930 had broken down, but also the military questions upon which in 1930 an agreement had been reached—and this to such good purpose that it had been found possible to embody the terms in the text of an agreed draft for an Anglo-Egyptian treaty. This British proposal to re-open the military issue came as a shock to the Egyptians,[1] in whose opinion Mr. Henderson's pledge of the 8th May,

[1] The British Government were, in fact, on weak ground in basing their demand for a reopening of the military questions on the plea that this had been one of the categories which had given most difficulty in 1930. The history of the Anglo-Egyptian negotiations of 1930 hardly bears out that contention (see the *Survey for 1930*, pp. 206 *seqq.*), and in any case it seems improbable that in January 1936 the policy of Mr. Baldwin and his colleagues was mainly determined by a consideration of their predecessors' experiences more than

1930,[1] bound the British Government to accept as much of the abortive treaty of 1930 as had reached the stage of an agreed draft, and to recommence the negotiations as from the point at which they had been broken off on the day on which Mr. Henderson had made the above-mentioned declaration. The Egyptians were perhaps even more perturbed by another point in Sir Miles Lampson's communication; for while the British High Commissioner indicated that the British Government would be prepared to enter upon formal negotiations if and when the informal exploratory conversations on the Sudan and on the military questions had come to a successful conclusion, he also announced that, if the negotiations were to fail, the British Government would feel obliged to review their position in Egypt and to define their relations with her afresh.

These two points were an obstacle to agreement on the drafts for an exchange of notes on which the re-opening of negotiations was to be based. The Egyptians were anxious to include an affirmation of the validity of the draft treaty of 1930 as far as it went, and also a declaration that, if the forthcoming negotiations were to fail, the *status quo ante* should remain intact. On the first point, a statement which might have been taken as contesting the Egyptian thesis was made in the House of Commons at Westminster on the 10th February by Mr. Eden.[2] In Cairo, however, on the same date, a formula was

five years back. In insisting upon reopening the military questions in January 1936, the British Government were no doubt mainly influenced by a profound change in the actual strategic situation which had taken place in the interval, and indeed within the last six months. This change was the increase in Italian armaments at sea, on land, and in the air in the Mediterranean, Libya, East Africa, and the Red Sea. In January 1936 the British Government's military advisers were seriously exercised over an Italian threat to invade Egypt overland from Libya; and this menace to the western land frontier of Egypt had not been in either British or Egyptian minds at the time of the negotiation of the military provisions of the abortive treaty of 1930. At the same time, the British Government's naval advisers were no less seriously exercised over the defence of the Suez Canal against the new Italian menace; and the security of the short route of British Imperial communications through the Canal was a matter of concern to the Governments of Australia and New Zealand as well as to the Government of the United Kingdom. These new strategic considerations in the British Government's mind were genuine, weighty, and respectable. And it might have been wiser to advance them frankly as a reason for reopening the military questions, instead of harking back to 1930.

[1] See p. 681, above.

[2] Mr. Eden's words were:

'The principle that no Government can be bound by the provisions of an inconclusive previous negotiation is, of course, well recognized in international practice. In the present negotiations, the application of this principle must naturally be governed by the mutual interests of the two countries.'

The best justification for the British Government's insistence on reopening

agreed upon between Sir Miles Lampson and Māhir Pasha; on the 12th, the news reached Cairo that this formula had been accepted in London; on the 13th, notes based on the formula were exchanged between the Egyptian Prime Minister and the British High Commissioner; and on the same day the names of the members of the Egyptian delegation (now increased from eleven to thirteen members) were published in a Royal Decree. On the British side, Sir Miles Lampson was furnished, for the purpose of the military conversations, with a staff of technical advisers: an Admiral who was the British naval Commander-in-Chief in the Mediterranean; an Air Chief Marshal who was in command of the British air arm in the Middle East, besides being Inspector-General of the British Royal Air Force; and a Lieutenant-General who was the General Officer commanding the British troops in Egypt. The conversations between these British and Egyptian representatives began on the 2nd March, 1936.

In contrast to certain previous attempts at an Anglo-Egyptian settlement which had been started with high hopes and had ended in failure, the conversations of 1936, which eventually resulted in the conclusion of a treaty, were opened in a spirit of pessimism on both sides. This pessimism was rational; for if the negotiations of 1930 had broken down over the Sudan after the military questions had been settled by agreement, how could the conversations of 1936 be expected to succeed when, before the unsolved problem of the Sudan was even broached, the draft military clauses of the abortive treaty of 1930 were to be thrown back into the melting-pot in order to open the way for the British negotiators to demand more—and perhaps much more—than what they had been content to accept six years before? The paradoxical success of a transaction which was entered upon under these unpromising conditions is to be attributed—in ratios which it is perhaps difficult to assess—to the activities of two persons: the direct action of Sir Miles Lampson and the indirect action of Signor Mussolini.[1]

the military questions which had been settled in 1930 was to be found, not in any point of international law, but in the actual change in the strategic situation in the meantime (see p. 684, footnote 1, above).

[1] The Italian factor undoubtedly stimulated the desire of the British and Egyptian Governments to arrive at a settlement at whatever the respective price for each party might prove to be. At the same time, there was also one way in which this Italian element in the situation acted as an impediment to the progress of the Anglo-Egyptian conversations; for it was the Italian menace to the security of the western frontier of Egypt, as well as to that of British Imperial communications through the Suez Canal, that moved the British technical experts to make larger demands in 1936 than their predecessors had made in 1930.

In the first phase of the military conversations, however, it looked as though the pessimists were to be justified of their lack of faith; for before the end of March it was credibly reported that the proceedings had fallen into a deadlock. On the 7th April the conversations were adjourned for the Easter holidays; they were resumed on the 16th only to be adjourned again on the 20th for the Egyptian elections; they were then resumed again on the 5th May, adjourned forthwith to the 13th, adjourned again to the 25th, and resumed for the third time on that day. Five days later, on the 30th May, it was announced that Sir Miles Lampson was to leave Egypt by air forthwith 'on a short visit to London for consultation with the British Government regarding certain points which' had 'arisen out of the treaty conversations'. He duly arrived in London on the 4th June, and it was this journey that saved the situation.

While Sir Miles Lampson was in private session with his principals in the capital city of the United Kingdom, the obstacle which he was striving to overcome was flood-lighted, for the information of the British public, in a masterly (and doubtless influential) leading article which appeared on the 10th June in *The Times*:

> The cause which has brought the conversations in Cairo to a temporary standstill is the excessive demands of the British Government for precision in providing for a distant future. . . . It is natural enough that the technical advisers of His Majesty's Government should recommend such a military agreement as would achieve an ideal security for this country's interests in Egypt for ever. . . . But the problems of the defence of the Canal and of the protection of Egypt, which are really inseparable, can never be solved by unilateral action except at an utterly prohibitive cost and in the teeth of bitter resentment. The military ideal of a hundred per cent. security takes no account of the political side of the Egyptian question. It neglects the sentiments and the aspirations of the Egyptians, a wealthy and progressive nation of over 14,000,000 souls, whose independence was recognized by this country over fourteen years ago. The present negotiations do not seek to revoke that independence. They aim at the conclusion of a defensive military alliance with Egypt, and there is every reason to believe that Egyptian opinion desires this consummation as ardently as does intelligent opinion in this country. But such an alliance, if it is to have any real value, must be based upon respect for Egyptian national feeling: it must be freely negotiated, not dictated; and one of its primary conditions, indeed its chief condition, is that it should be inspired by a spirit of mutual trust. This spirit will hardly be encouraged by efforts to persuade the Egyptian delegates to make concessions, for which their countrymen would never forgive them, in the hopeless quest for the unattainable ideal of a perfect military security, watertight for all time and in all circumstances. An Anglo-Egyptian alliance based upon common interests and reciprocal confidence is surely worth

> minor military risks, some of which are likely to prove imaginary on closer examination. . . . The Egyptian delegates have shown a welcome readiness to modify the military clauses of the draft treaty of 1930; but it is far from certain that the technical advisers of the British Government have recognized the wisdom of setting a limit to their demands. It is the practice of such experts—indeed it is their duty—to ask for a maximum insurance against any possible threat.[1] That is understood; but it would be deplorable if the Cabinet, whose duty is to survey their expert advice in a wider perspective, were on that account to lose a great opportunity which may never recur.

The considerations set out in these passages from an article in an organ of the British public press may give a clue to the representations which the British High Commissioner from Egypt was making privately in London at the time to Mr. Baldwin and his colleagues;[2] and if we are warranted in thus reading between the lines of a London newspaper the case which Sir Miles Lampson was presenting, the sequel in Egypt warrants the belief that Sir Miles Lampson had won his case before he left London again by air on the 27th June *en route* for Cairo.[3]

The British High Commissioner reached Cairo on the 30th June; the conversations were officially resumed on the 1st July; on the 6th July the British delegation in Cairo was reinforced by the arrival of one of the legal advisers to the Foreign Office in Downing Street, Mr. Becket; on the 10th July it was announced in Cairo that a drafting committee had, that morning, successfully completed the work of drawing up a new draft of military clauses for an Anglo-Egyptian treaty; on the 22nd July the news reached Cairo that the British

[1] While it might be surmised that a maximum demand was in fact being made by some of the British experts, and that this demand was the cause of the hitch in the negotiations, it could not be taken for granted that all the experts saw eye to eye with one another on this question. There may have been some among them whose views were not at variance with those expressed in the article here quoted.—A. J. T.

[2] The writer of the article just quoted from *The Times* was no doubt right in suggesting that the real crux lay not so much in the technical advice that was being tendered to the Government as in the Cabinet's reaction to this. The danger was that the Cabinet might flinch from taking a larger view through a fear of the possible effect upon their supporters on the back benches of the House of Commons. In the event, the Cabinet found the courage to overrule the experts' advice instead of taking shelter behind it; and for this they had their due reward, since the terms of the treaty, when negotiated and published, were acclaimed with satisfaction by all parties in Great Britain as well as in Egypt.

[3] A leading article published in *The Times* on the 30th June, 1936, already declared that there was 'reason to believe that more practical and politic solutions of the indivisible military problem of the protection of Egypt and the defence of the Suez Canal' had 'now found favour in Downing Street'.

Government had approved the draft; the Egyptian Government signified their approval on the 24th; and on the same day the draft was initialed by Nahhās Pasha and Sir Miles Lampson.

These agreed military clauses, which duly found their way into the Anglo-Egyptian treaty which was signed on the 26th August, 1936,[1] need not be summarized here, since the text of the treaty is printed in full in the accompanying volume of documents.[2] In this place it is only necessary to record how the technical desiderata of the British experts were reconciled with the political necessities of the Egyptian statesmen, and to indicate the principal likenesses and differences between the resultant terms of the treaty of 1936 and the corresponding terms of the abortive treaty of 1930.

The main obstacle that had been blocking the way to an agreement on the military questions had been the startling increase in the demands of the British experts beyond the measure with which their predecessors had been content. The reason for this exorbitance had been a technical one, and the means of making the necessary adjustment between military and political considerations were likewise sought and duly found on the technical plane.

The technical crux which had driven the British experts into pitching their demands so high was the rapid expansion of the geographical range of warfare in the air, on sea and even on land. *Places d'armes* on the geographical scale of Gibraltar, Malta and Aden, which had been adequate from the dawn of history until the close of the nineteenth century of the Christian Era, were now dwarfed by the new geographical scale which the operations of war had come to assume. In 1936 it would hardly have been an exaggeration to say that the strategist's first and last requirement was elbow-room; and accordingly the British experts—who by this time must have been uncomfortably aware that Malta was now enveloped by Italy's manœuvring grounds in Sicily and Libya, while Aden was being overshadowed by the newly acquired Italian empire in East Africa[3]—rebelled against the suggestion that the British armed

[1] They appear as Articles 7, 8 (with Annex) and 9. These articles must be read together with points (i)–(xiii) of the agreed minute attached to the treaty, as well as with No. 3 of the notes exchanged in London on the 26th August, 1936, and with Nos. 1 and 2 of the notes exchanged in Cairo on the 12th August, 1936. All these documents are printed in the British Parliamentary Papers *Cmd.* 5270 of 1936 (*Egypt No. 1 (1936)*) and *Cmd.* 5360 of 1937 (*Treaty Series No. 6 (1937)*).

[2] See *Documents on International Affairs, 1936*, pp. 478–89. The text of the draft treaty of 1930, as far as it went, will be found in *Documents on International Affairs, 1930*, pp. 214–19.

[3] The march of events in the international arena was so swift and incal-

forces, which had hitherto ranged freely *de facto*—though this without any title *de jure*—over the whole of Egypt's territory and territorial waters and air, should after all be confined within a Canal Zone which, in the abortive draft treaty of 1930, had been drawn on a scale that corresponded to the old rather than to the new technical conditions. The problem with which the British and Egyptian Governments were confronted was that of providing the British armed forces in Egypt with the elbow-room which they would need in the event of war or threat of war, while transforming the disposition of these forces in peace-time from the 'visible occupation' which had been grating on Egyptian sensibilities for the last fifty-four years into an 'invisible occupation' which would not stand in the way of the development of a new and happier psychological relation between the Egyptian and British peoples. This difficult problem of adjustment was successfully solved by statesmanlike concessions on both sides.

The British experts, for their part, conceded that the normal strength of British forces that were to be stationed in Egypt in peace-time should be only a little larger than the figures agreed upon in the draft of 1930; and they also conceded that the normal range of their occupation in peace-time should be limited to a Canal Zone which was to be only a little wider than the zone agreed upon in the same previous draft.[1] In the third place, they conceded that even the

culable at this time that it can hardly be supposed that, even in July 1936, the British experts yet foresaw that, before the year was out, Gibraltar might be in danger of going the same way as Malta and Aden.

[1] Compare Article 8 (with Annex) of the treaty of 1936 with Article 9 (with annexed draft Egyptian note) of the abortive treaty of 1930 (N.B. The draft Egyptian note of 1930, relating to Article 9 of the abortive treaty of that year, is not printed in *Documents on International Affairs, 1930*; but it will be found in the British parliamentary paper *Cmd.* 3575 of 1930 (*Egypt No. 1* (1930)), pp. 30–4). Article 8 (1936) reproduces the text of Article 9 (1930) with slight variations. On the other hand, the Annex (1936), as compared with the draft note (1930), raises the figure for the British land forces in the Canal Zone from 8,000 to 10,000 men; replaces the formula 'the Air Forces shall not exceed 3,000 men of whom one-seventh are pilots and the rest are mechanics and workmen' by the formula '400 pilots together with the necessary ancillary personnel for administrative and technical duties'; and extends the area of the Canal Zone itself by one degree for the land forces and by a further degree for the air forces. This slight enlargement of the Canal Zone entailed no appreciable inconvenience for Egypt or the Egyptians, but it did promise to make a substantial difference to the prospective efficiency and well-being of the British forces that were to be stationed there. The 1930 zone had been found by the British military authorities, on closer examination, to be inadequate for providing those facilities for barracks and for amenities which they regarded as essential; and ever since that time they had been prospecting for a more eligible site. The 1936 zone satisfied these British desiderata.

normal peace-time arrangements above-mentioned should be subject in the new draft (as they had been made subject in the draft of 1930)[1] to a time-limitation of twenty years from the coming into force of the treaty, and that, upon the expiry of this twenty years' period, it should be open to the Egyptian Government to raise, for settlement by the judgment of a third party, the question whether the presence of British forces in the Canal Zone could now be dispensed with.

These three British concessions, in principle and in the long run, to Egyptian political necessities were facilitated and repaid by three Egyptian concessions to British technical desiderata. In the first place, the British Air Force in Egypt was given leave, even in peace-time, to range freely, outside the Canal Zone, through the Egyptian air. In the second place, the British Navy in Mediterranean waters was to have the use of the harbour of Alexandria for a period not exceeding eight years from the coming into force of the treaty.[2] In the third place, the British Army in Egypt was given the certitude of being able to command the technical means for deploying, at a moment's notice, from its narrow peace-time quarters in the Canal Zone over the remainder of the territory of Egypt right up to Marsah Matrūh—a point on the north coast of Egypt about half way between Alexandria and the Egypto-Italian frontier. These Egyptian concessions were not only in consonance with the general spirit of a diplomatic instrument which was in essence a treaty of defensive alliance, they might even be construed as indispensable provisions for giving practical effect to the treaty's express terms; for the free use of all Egyptian territory, territorial waters, and air by the British armed

[1] Compare Articles 8 and 16 (1936) with Articles 9 and 14 (1930).

[2] The Navy was not mentioned by name in the text, which simply authorized 'His Majesty the King and Emperor to maintain units of his forces at or near Alexandria'; but it seems probable that one of the purposes for which the British Government desired these facilities at Alexandria was that of temporarily using this Egyptian port as a British naval base in lieu of Malta, pending the permanent replacement of Malta by an alternative base in British territory. At the same time, British land forces as well as British naval forces were presumably to benefit by this clause; and the period of eight years seems to have been determined in part by a calculation of the time which would have to be allowed for the construction of the new railways and roads and the building of the new barracks. Since the site for these new British barracks in the Canal Zone would have to be cleared of its existing inhabitants, it was estimated that two years might pass before the building could be started. The British military authorities would have liked to have undertaken the building themselves, since the troops that were to be housed were their own; but this was not pressed in face of the opposition of the Egyptians, who wished to keep the work in their own hands.

forces in the event of war was provided for in Article 7,[1] which laid down that

> Should . . . either of the High Contracting Parties become engaged in war, the other High Contracting Party will, subject always to the provisions of Article 10 below, immediately come to his aid in the capacity of an ally. The aid of His Majesty the King of Egypt in the event of war, imminent menace of war or apprehended international emergency will consist in furnishing to His Majesty the King and Emperor on Egyptian territory, in accordance with the Egyptian system of administration and legislation, all the facilities and assistance in his power, including the use of his ports, aerodromes, and means of communication.

The provision of aerodromes for British aeroplanes and of anchorages for British seaplanes and warships, outside the limits of the Canal Zone, for instant use in case of emergency, does not appear to have necessitated any elaborate technical arrangements.[2] On the other hand, the mobility of the British land forces in Egypt, outside the bounds of the Canal Zone, was assured in advance by explicit and detailed provisions (in Article 8, Annex) for the construction or improvement of certain roads and railways on Egyptian ground.[3]

[1] The text of Article 7 (1936) reproduces, with certain variations, that of Article 8 (1930).

[2] The British Air Force was (as has been mentioned above) already made free of the whole of Egyptian air in peace-time; and the Annex to Article 8 of the treaty simply pledged the Egyptian Government to 'secure the maintenance and constant availability of adequate landing grounds and seaplane anchorages in Egyptian territory and waters', and, beyond this, to 'accede to any request from the British air forces for such additional landing grounds and seaplane anchorages as experience' might 'show to be necessary to make the number adequate for allied requirements'. There do not appear to be any corresponding stipulations, either in the treaty itself or in its annexes, for dockyard facilities for the British Navy at Alexandria.

[3] Part of the construction now provided for was already being carried out. The extension of the railway running westward from Alexandria from the previous railhead to Marsah Matrūh had been decided as early as the 9th January, 1936, when the Egyptian Cabinet had authorized expenditure for this purpose up to £94,000, with a contribution of £20,000 from the British Government. These improvements in the means of communication in Egypt were the key to an Anglo-Egyptian agreement on the military questions; for with the existing communications it would have been almost impossible to move a British force from the Canal Zone to the Western Desert and to keep it supplied in that distant and inhospitable region. As long as there was no improvement of the existing communications, there was only one position in which a British reserve force could be mobile and could at the same time be in close touch with the Egyptian Army, and that was in the neighbourhood of Cairo. The maintenance of close contact between the British troops in Egypt and the Egyptian Army during the period of its reorganization was regarded as important on the British side. The two armies had been out of touch with each other since the War of 1914–18; and, during the recent

It was further provided (Article 8, Annex, § 17) that 'the British military authorities' should 'be at liberty to request permission from the Egyptian Government to send parties of officers in civilian clothes to the Western Desert to study the ground and draw up tactical schemes'; and it was stipulated that 'this permission' should 'not be unreasonably withheld'.[1]

The inter-connexion between the different parts of this arrangement, as it presented itself to the minds of the British statesmen, diplomatists and experts who had been responsible for the British acceptance of the draft in its final form, was explained as follows by Mr. Eden in the speech in which he presented the treaty to the House of Commons at Westminster on the 24th November, 1936:

> I should like to explain some of the reasons which have made it possible for the Government to agree to the withdrawal of British forces from the cities [of Cairo and Alexandria] themselves. This is due to a combination of two factors—first, that our forces are now mechanized, with the result that, when the treaty provisions for the construction of roads and rail communications have been carried out, it will be possible to move the troops quickly to any certain point for the protection of Egypt against external aggression, for which purpose under the conditions prevailing hitherto it was necessary to keep troops at the centres in order that they might be readily available. Moreover, the Royal Air Force are given permission by the treaty to fly wherever they consider it necessary for training purposes, but only to fly over populated areas when necessity demands it. The Egyptian Air Force is given reciprocal permission in respect of British territory. The facilities to which I have just referred and other facilities for the Royal Air Force in the treaty or the annexes assure our Air Force of all facilities required for training purposes. Thirdly, the areas marked for the training of all our forces throughout the year are considered adequate, and provision is made for their considerable extension in February and March, which are the months when manœuvres normally take place. So far as health and comfort are concerned the troops will, if anything, be the better for the move to the Canal.

If the military clauses initialed in Cairo on the 24th July, 1936, were thus acceptable from the British standpoint, there was nothing in them that need cause heart-burnings on the Egyptian side. On the principle that 'what the eye does not see, the heart does not grieve

military crisis arising out of the threat of an Italian invasion of Egypt from Libya, the benefits of co-operation between British and Egyptian battalions in the Western Desert had been manifest.

[1] This provision (which was a point of detail) was inserted in the treaty because the recent necessity of taking precautionary defensive measures against the threat of an Italian invasion of Egypt from Libya had shown that at this time there was little knowledge, among British officers, of this important and difficult tract of country.

for', the imminent withdrawal of the British troops from Cairo, and their prospective withdrawal from Alexandria likewise within eight years of the coming into force of the treaty, promised to reduce to vanishing-point the irritation which the sight of foreign troops on Egyptian soil had never ceased to produce in Egyptian minds since the first arrival of the British army of occupation in 1882. Nor, even if the clauses initialed on the 24th July, 1936, had left the British armed forces in Egypt in as conspicuous a position as before, would it have been inevitable that the sheer sight of them in Egyptian eyes should have continued to produce the old sore feelings in Egyptian hearts; for the element in the previous situation which had been wounding to Egyptian sensibilities had not been simply the physical presence of the British soldiers. The perpetual spectacle of the British flag flying over the Citadel of Cairo and the British guard on duty at the gate was no doubt offensive to Egyptian eyes;[1] but the worst sting had lain in the consciousness that these foreign soldiers had made their first entry into Egypt by force of arms and had remained ever since without asking or receiving permission from the lawful Government of the country; and this sting could be drawn by the negotiation of an Anglo-Egyptian agreement to retain the British troops in Egypt by common consent for the advantage of the two contracting parties at least as effectively as it could have been drawn by a physical removal of the former British army of occupation through unilateral action on the part of the British Government.

The maintenance of the armed forces of one Government in the territories of another Government by treaty between the two Governments concerned was, in fact, an arrangement which carried no imputation of any inequality of status between the two parties; and any Egyptian patriot who might still be troubled with misgivings on this point could set them at rest by looking into the classical precedent of the treaty made at Antwerp on the 15th November, 1715,

[1] The proposals of the British military experts appear to have allowed, even at their maximum, for an evacuation of both the Citadel barracks and the Qasru'l-Nīl barracks by the British troops in Cairo. Moreover, the British military experts' desire (on the grounds mentioned on p. 692, footnote 3, above) to retain British troops in the neighbourhood of Cairo, pending an improvement in the means of communication in Egypt, was probably balanced to some extent by a wish to avoid the embarrassments to which a British force in or even near Cairo might be exposed under the new administrative and political conditions which were to be introduced by the treaty. For example, the British element was to be removed from the Egyptian police; and in this situation a British commanding officer of a British force at Cairo might speculate with some discomfort on the rôle which he might be called upon to play if there were to be disturbances in Cairo, and if these were to get beyond the control of the Egyptian authorities.

between the Emperor of the Romans of the one part, and the King of Great Britain and the States-General of the United Provinces of the Netherlands of the other part, 'for the entire restitution of the Spanish Netherlands to His Imperial and Catholic Majesty with the reserve of a strong and solid barrier to the said Netherlands in favour of their High Mightinesses, as also of the yearly payment of several great sums, as well for the maintenance of the said barrier as for the reimbursement of those which were due to them before'.[1] An examination of this diplomatic instrument[2] would show the inquirer that the maintenance of Dutch garrisons in the barrier fortresses of the Austrian Netherlands, by agreement between the Dutch and Austrian Governments, was genuinely analogous to the maintenance of a British force in the Canal Zone of Egypt by agreement between the British and Egyptian Governments. A similar diplomatic and military arrangement had generated similar technical problems for which similar solutions had been contrived. And this eighteenth-century precedent for a twentieth-century international transaction was auspicious in two ways. In the first place, there had never been any suggestion that the Caesarea Maiestas had demeaned itself by inviting their High Mightinesses to maintain Dutch troops on Austrian soil; and in the second place this Austro-Dutch arrangement had lasted for the best part of a century—until the last remnants of the structure of the peace settlement of 1713–15 were swept away in the tornado of the General War of 1792–1815. Thus the treaty signed at Antwerp on the 15th November, 1715, was of good augury for the prospects of the clauses initialed in Cairo on the 24th July, 1936.

In the Anglo-Egyptian conversations of 1936 the achievement of an agreement on the military questions marked the turning-point, and from that moment the tide flowed on steadily towards complete success.

[1] At first sight it might seem that a precedent that was both nearer to hand and more to the point might be found in the Anglo-'Irāqī treaty of the 30th June, 1930, which provided among other things for the maintenance of British armed forces on the soil of 'Irāq. This Anglo-'Irāqī treaty, however, was really (like the Franco-Syrian treaty of the 9th September, 1936) a child of the Anglo-Egyptian treaty, and not a predecessor of it, in spite of its earlier date. For the Anglo-'Irāqī treaty of 1930 was based upon the British proposals of the 3rd August, 1929, for an Anglo-Egyptian settlement, and these proposals were also the embryo of the abortive Anglo-Egyptian treaty of 1930 and of the successful Anglo-Egyptian treaty of 1936 (see the *Survey for 1930*, p. 322).

[2] The text will be found in C. Jenkinson: *A Collection of all the Treaties of Peace, Alliance and Commerce between Great Britain and other Powers from the Treaty signed at Münster in 1648 to the Treaties signed at Paris in 1783*, vol. ii (London, 1785, Debrett), pp. 148–73.

On the 26th July the two delegations adjourned from Cairo to Alexandria, and the discussions on the Sudan, which opened there on the 27th, resulted in the initialing of a draft on the 31st of the same month. Here, again, the draft of 1936 conformed in essentials to the draft of 1930.[1] But whereas in the new military clauses the changes had mostly consisted of Egyptian concessions to British desiderata, the changes in the Sudan clauses were mostly in favour of Egypt, without being prejudicial to the interests either of Great Britain or of the Sudan itself. It was once again laid down (though in clearer terms than in the draft of 1930) that the question of sovereignty over the Sudan was not being touched, and that the different question of the administration of the Sudan should be disposed of for the time being by a continuation of the régime resulting from the Anglo-Egyptian agreements of the 19th January and the 10th July, 1899. An important addition to the previous draft was the avowal by the two contracting parties 'that the primary aim of their administration in the Sudan must be the welfare of the Sudanese'.[2] Subject to this, the new draft preserved all the provisions in favour of Egypt which had figured in the previous draft, and at the same time added to their number. For instance, it was provided, as before, that there should be no discrimination in the Sudan between British subjects and Egyptian nationals in matters of commerce, immigration, or the possession of property. It was also provided, as had been contemplated in 1930, that, 'in addition to Sudanese troops', Egyptian as well as British troops should again 'be placed at the disposal of the Governor-General for the defence of the Sudan'. Beyond that, the provision that 'Egyptian immigration into the Sudan' should 'be unrestricted except for reasons of public order and health' represented a British concession to Egyptian desires on the particular point over which the negotiations of 1930 had broken down. It was further provided in the draft of 1936 that, 'in making new appointments to posts for which qualified Sudanese' were 'not available', the Governor-General of the Sudan would 'select suitable candidates' of Egyptian as well as of British nationality. It will be seen that the

[1] Compare Article 11 (1936) and its Annex and points (xiv)–(xvii) of the agreed minute of the 26th August, 1936, with Article 11 (1930) and point (16) of the draft Egyptian note attached to the draft treaty of 1930.

[2] Cf. the following passage, which established the priority of native over British or Indian rights in Kenya, from the British Government's Memorandum on Indians in Kenya (*Cmd.* 1922 of 1923):

> 'In the administration of Kenya, His Majesty's Government regard themselves as exercising a trust on behalf of the African population, and they are unable to delegate or share this trust, the object of which may be defined as the protection and advancement of the native races.'

draft initialed at Alexandria on the 31st July, 1936, paved the way for a restoration in the Sudan of the *status quo ante* the assassination of Sir Lee Stack on the 19th November, 1924; and, in view of the general improvement in Anglo-Egyptian relations which the conclusion of the treaty might be expected to bring about, it was to be hoped that, in the Sudan, the renewed collaboration of an Egyptian with a British personnel would be marked by that indispensable atmosphere of goodwill which had been so disastrously lacking in the unhappy years 1919–24.[1]

Having thus reached agreement, in the preliminary conversations, on both of the two capital questions which had been singled out at the beginning for prior treatment by this procedure, the two delegations went on to broach the question of the abrogation in Egypt of the foreign extra-territorial privileges deriving from the old Ottoman Capitulations. The Anglo-Egyptian discussions on this subject were started (on the basis of an Egyptian draft note) at Alexandria on the 4th August, 1936, and—with greater difficulty than had attended the discussions over the Sudan[2]—an agreement was reached, in this field too, on the 10th August.[3]

[1] In point (xiv) of the agreed minute of the 28th August, 1936, it was provided that the Governor-General of the Sudan should furnish to the Governments of the United Kingdom and Egypt an annual report on the administration of the Sudan. This provision is interesting inasmuch as it appears to assimilate the Anglo-Egyptian administrative condominium in the Sudan to the mandatory system, with Great Britain and Egypt in the dual rôle of joint mandatories and joint supervisors of the mandatory administration.

[2] The difficulty lay in reconciling the Egyptian desire for the abolition of the capitulatory régime with the British Government's concern to see the legitimate interests of foreign residents in Egypt reasonably well safeguarded. In this matter Great Britain was saddled with a considerable responsibility, since the protection of foreign rights in Egypt was one of the objects for which she had publicly professed concern when she had occupied Egypt in 1882; and this was also one of the four points that had been reserved in the unilateral British declaration of the 28th February, 1922. While recognizing that, in Egypt, the capitulatory régime was an anachronism, the British Government had to apprehend that—if this régime were to be liquidated by Egyptian action, with British consent, in too abrupt and unceremonious a fashion—the other Powers concerned might hold Great Britain to account, and might even threaten to take direct action of their own for the vindication of national interests on behalf of which (they might complain) Great Britain had now failed to do what was required of her as a self-constituted trustee. The Egyptians, on their side, had been growing ever more impatient of an anachronism which had also become an anomaly now that the old Ottoman Capitulations had been abolished in Turkey itself and been suspended in the ex-Ottoman territories which had been placed, in the Peace Settlement after the War of 1914–18, under mandates of the 'A' class. In the Mixed Courts—

[3] Compare Article 13 (1936) and Annex with Article 9 (1930) and draft exchange of notes, point (17).

The final clauses of the draft text of the new treaty were initialed at Alexandria on the 12th, and the draft received its last touches from the legists the next morning.[1]

It will be seen that the British and Egyptian representatives who had been at work together in Egypt had achieved even more than had been asked of them; for the 'exploratory conversations' which had been opened as a mere overture to full-dress negotiations in London had resulted in the drafting of an agreed text which amounted to a complete draft treaty, and all that remained to be done in London now was to expand initials into signatures. The Egyptian delegation sailed from Alexandria for London on the 17th August and reached their destination on the 23rd. The ceremony of signature took place at the Foreign Office in Downing Street on the 26th.

The signature of the Anglo-Egyptian treaty of alliance on the 26th August, 1936, was immediately followed by the publication of the text; and the reception which was given to it in both countries showed that the agreement reached by the statesmen and diplomatists was substantially in accord with the wishes of the peoples. The first symptoms of satisfaction were the praises of the treaty which

which had been set up in Egypt in 1875, by agreement with the capitulatory Powers, in order to alleviate the servitude of full consular jurisdiction—an acrimonious dispute had arisen in the spring of 1934 between the Egyptian and the foreign judges over a double question of equality of status—on the one hand between the foreign and Egyptian judges themselves, and on the other hand between the French and Arabic languages (see a statement made by Sir John Simon, in answer to a parliamentary question, in the House of Commons at Westminster on the 17th May, 1934). This dispute had been patched up, but its outbreak had been a danger-signal.

[1] The relative ease with which the different parts of the draft were agreed upon gives no measure of their relative importance. For example, the foundation of the whole treaty was laid in the replacement of a British military occupation of Egypt by an Anglo-Egyptian defensive alliance. This was the common basis of the military clauses Sudan clauses, and capitulation clauses alike; but in 1936 this basis could be established with comparative ease, because it had already been worked out into an agreed form in the abortive draft treaty of 1930 (compare Articles 1–7 (1936) with Articles 1, 2, 5, 6, 7, 8, and 10 (1930)). Another feature of the agreed draft of 1930 that was taken over, without difficulty, in the treaty of 1936 was the substitution of a British military mission for the British personnel in the Egyptian Army (compare Nahhās Pasha's note of the 26th August, 1936, to Mr. Eden with points (1)–(3) of the draft exchange of notes (1930)). It will be seen that the *modus operandi* in the Anglo-Egyptian conversations of 1936 was not unlike the contemporary method of constructing a 'sky-scraper' by first erecting the skeleton of steel girders and then working from the top of this steel frame downwards in the ensuing operation of filling in the walls and the floors. It was this secondary operation that was the crux of the Anglo-Egyptian conversations of 1936—not because it was inherently more difficult, but because it was the part of the work on which the views of the British and Egyptian architects happened to be least in accord.

were sung in chorus, without a discordant note, in both the Egyptian and the British press. On the 28th August, at Abukir, British troops were actually cheered by an Egyptian crowd; and when Nahhās Pasha landed at Alexandria on the 13th October he received an ovation which was only surpassed by the welcome which was given him in Cairo upon his arrival in the capital on the 17th. These immediate reactions were not, however, so impressive as the outcome of the subsequent parliamentary debates on the treaty in Cairo and at Westminster; for these debates did not take place until November 1936; and by that time there had been a long enough interval to have allowed feelings to cool and sober second thoughts to obtrude themselves. It was all the more remarkable to see the continuing popularity of the treaty attested both in the tone of the debates and in their outcome. In both Parliaments the responsible opposition parties—in Egypt the Liberals, the Sha'b, the Ittihād and the dissident Wafdists, and in Great Britain the Labour Party and the Independent Liberals—abstained from playing the traditional parliamentary game of belittling the achievements of the Government of the day and made no concealment of their approval and support. At Cairo the treaty was approved by 202 votes to 11 in the Chamber on the 14th November, and by 109 votes to 7 in the Senate on the 18th.[1] In London it was approved without a division by the House of Commons on the 24th and by the House of Lords on the 25th.

These parliamentary proceedings, which set the seal upon the previous work of the statesmen, diplomatists and experts, marked the close of a long chapter of history. By the end of the year 1936 Egypt had been under British military occupation for fifty-four years; and it was four hundred and nineteen years since she had been deprived of her last taste of sovereign independence by the Ottoman conquest. Moreover, the independent Egypt of the pre-Ottoman age had been an Egypt in which the Egyptians themselves had not been masters in their own house; for under the pre-Ottoman régime the nominal sovereign of Egypt had been an Arab 'Abbasid Caliph, while the effective power had lain in the hands of a body of alien soldier-

[1] It is true that in Egypt, outside Parliament, a certain amount of criticism did eventually declare itself—particularly on two heads. There was some uneasiness over the expense to which Egypt would be put in implementing the military clauses while she was engaged in trying to build up her own army. And there was also some feeling that the clauses relating to the Capitulations were too vague. (The conference between Egypt and the Capitulatory Powers which was held at Montreux in 1937 will be dealt with in a later volume of this series.)

slaves. To set eyes on the spectacle of an Egypt enjoying her independence under a native Egyptian rule, the historian would have to travel back from the autumn of A.D. 1936 to the spring of 343 B.C., when the last native Egyptian dynasty was on the verge of being overthrown by the arms of Artaxerxes Ochus. That Persian conqueror of Egypt was the last emperor but one of the Achaemenian line; and he reconquered this seceding dominion of the Persian Crown only to bequeath it to a long succession of other foreign masters—Macedonians, Romans, Arabs, Turks, Berbers, Kurds, Mamlūks, 'Osmanlīs, French and British—whose aggregate tenure was as long as the Achaemenian restoration was brief. A periodical change of foreign rulers was the only variety which Egypt had known under a régime of political servitude which had lasted with an otherwise monotonous uniformity for the best part of twenty-three centuries; but from the constitutional point of view the strangest episode had been the last; for during the twelve years that elapsed between the coming into force of the Lausanne Peace Treaty between Turkey and her late opponents on the 6th August, 1924, and the coming into force of the new Anglo-Egyptian treaty of alliance on the 22nd December, 1936, Egypt had been living in a juridical limbo which was neither complete servitude nor complete independence. On the one hand the Turkish Republic, which was the residuary legatee of the Ottoman Empire, had now renounced her legacy of Ottoman suzerainty over Egypt; and on the other hand Great Britain, who by that time had been the mistress of Egypt *de facto* for forty-two years without ever having acquired any title over Egypt *de jure*, had only recognized the sovereign independence of Egypt in a fashion that was plainly imperfect—partly because the recognition had been merely the arbitrary unilateral act of a single foreign Power, and partly because it had been accompanied by four equally arbitrary, and in the aggregate far-reaching, reservations. This was the anomalous situation from which Egypt obtained release through the conclusion of a treaty of alliance which placed her on a new footing of at least juridical equality with the English rearguard of the age-long procession of Egypt's foreign invaders. Nor was the treaty a release for Egypt alone; it extricated both parties alike from an entanglement which had been agreeable to neither of them.

It was thus already evident that this Anglo-Egyptian transaction would stand out in retrospect as an auspicious landmark in the relatively short course of Anglo-Egyptian relations as well as in the immeasurably long course of Egyptian history up to date; but it was easier to detect the beginning of a new chapter in the history of

Egypt than to divine what its features were likely to be. Would Egypt long preserve or quickly forfeit the highly prized independence that she had now recovered at last? If she were to succeed in preserving it, would she care to preserve, as well, the democratic parliamentary Constitution of a French type which was valued by her now dominant intelligentsia as the political symbol of initiation into the mysteries of the modern Western form of culture? Or would Egypt lapse, as 'Irāq seemed already to be lapsing in 1936,[1] from Democracy into Fascism? If Egypt were to succumb to a wave of Fascism that was apparently threatening to sweep over the whole of the Arabic-speaking World, would this be a way of carrying the nineteenth-century process of Westernization another stage farther, or, on the contrary, would it be a way of sheering off again from the West on the impetus of a social movement which was only Western in the sense of being the Western Society's own reaction against itself? And if Egypt did, in the next chapter, retreat from Westernism along a Fascist track, to what positive goal would she find herself led by this negative action? Would the tiny Westernized Egyptian intelligentsia, which embraced not only a Nahhās and a Mahmūd but also a Sidqī and a Fu'ād and even an Ibrāshī, be bundled, bag and baggage, off the Egyptian stage in the same surge of xenophobia as the Frankish residents in Egypt from whom the Egyptian intelligentsia had acquired its exotic culture? And, in that event, would a new Egypt come to the surface in which Nahhās Pasha would be as utterly lost as he would have been completely at home in a now perhaps obsolete nineteenth-century France? If 'Egypt for the Egyptians' was a war-cry that was to be taken in earnest, were not the vast majority of the Egyptians simple peasants whose only idea of Civilization was Islam? Was a resurgence of Islamic religious fervour to be the ultimate fruit of the political labours of a generation of Egyptian politicians whose only idea of Civilization, for their part, had been the secular rationalist Nationalism of a post-revolutionary France? At the time of writing, these questions could already be asked but could not yet be answered.

[1] See p. 24 above.

(ii) The Administration of the British Mandate for Palestine, 1935–6.

By H. Beeley

(*a*) Introductory

The last account of Palestine in these volumes[1] was largely devoted to the extraordinarily rapid economic development of the country between 1930 and 1934. The boom continued into 1935, but was checked by the repercussions of the Italo-Abyssinian war in the autumn of that year, and by the Arab rising of 1936. Whether, without these external influences, the curve of prosperity would have continued to rise, and whether it would resume its upward course thereafter, it was not yet possible to tell at the time of writing.

The period under review in this chapter falls chronologically into four divisions: the first eight months of 1935, marked by an acceleration of economic expansion; the winter of 1935–6, during which confidence was shaken by a minor financial crisis in September and by growing political tension; the period of the Arab rising, from April to October 1936; and the subsequent *détente*, in which the country resumed a more or less normal life while awaiting the Royal Commission's recommendations for its future. As distinguished from the four preceding years, it was a period in which political affairs took precedence over economic; the distinction, in Palestine as elsewhere, was largely fictitious, but it may be more convenient to make use of it than to observe a strictly chronological order.

(*b*) Economic and Social Conditions

Most of the accepted indices of prosperity reflected continued confidence up to September 1935, and partial dislocation leading to a diminished optimism afterwards. Thus the total of authorized Jewish immigration, after rising from under 10,000 in 1932 to 30,000 in 1933 and 42,000 in 1934, reached its peak in 1935 at 61,854,[2] falling to 29,727 in 1936[3] and about 3,000 in the first quarter of 1937.[4] A more exact picture is given in the estimates of the country's absorptive capacity which were drawn up every six months by the

[1] See the *Survey for 1934*, Part II, section (vi).

[2] *Report by His Majesty's Government on the Administration of Palestine and Trans-Jordan for the Year 1935*, p. 43.

[3] *Report for 1936*, p. 70.

[4] *Great Britain and the East*, 1st July, 1937.

Jewish Agency and the Government of Palestine as a basis for the grant of immigration certificates under the Labour Schedule:

Period.	*Jewish Agency's Estimate.*	*Certificates granted by Government.*
October 1934–March 1935[1] . .	18,600	7,500
April–September 1935[1] . . .	19,160	8,000
October 1935–March 1936[1] . .	10,900	3,250
April–September 1936[1] . . .	11,000	4,500
October 1936–March 1937[2] . .	10,695	1,800
April–September 1937[3] . . .	11,250	770

It is clear from these figures that the turning-point, in the opinion of both the Government and the Jewish Agency, came neither at the end of 1935 nor at the beginning of the disturbances in the following April, but in the previous September. At that time the Italo-Abyssinian war was giving rise, in the Eastern Mediterranean, to fears of a more general conflict. In Palestine these led first to a withdrawal of deposits from the local branch of the Banco di Roma, and then to a run on some of the smaller banks. The feeling of insecurity was heightened by the knowledge that there had been an unregulated growth of small banks, and that many of these had invested largely in new enterprises.[4]

> It might have been difficult for some of them to realize their assets for the purpose of meeting the abnormal demands by depositors; and if one failed, the situation might easily have degenerated seriously. That the larger banks were apprehensive is shown by the fact that between the 5th and 9th of September they increased by over £P.1,000,000 the amount of securities deposited with the Currency Board in London against which to draw currency locally. . . . Assistance was extended to the smaller banks by the larger foreign concerns. . . . By the 9th of September the strain had eased and the run on banks ended, although the position remained rather critical for some weeks.[5]

[1] *Great Britain and Palestine, 1915–36* (Royal Institute of International Affairs: *Information Department Papers*, No. 20, 1937), p. 68.

[2] *Jewish Agency Memorandum, 1936*, p. 7.

[3] *The Times*, 19th May, 1937. The final grant did not exactly coincide with the Administration's estimate of the country's absorptive capacity, for a number of certificates was always subtracted, to counterbalance the anticipated total of unauthorized immigrants. And the last three figures in the second column above probably reflect political as well as economic considerations. The grant for April–September 1936, issued a month after the beginning of the disturbances, emphasized the Government's determination not to be terrorized into modifying their policy. The next two grants, conversely, are to be understood as a partial suspension of Jewish immigration pending the Report of the Peel Commission.

[4] Banks were afterwards obliged, under the Banking (Amendment) Ordinance, 1936, to render monthly returns of their assets and liabilities to the Government.

[5] *Report for 1935*, pp. 200–1.

The local banks had to repay most of their emergency borrowing by calling in their advances, with the result that the crisis was followed by a general restriction of credit.

This, in turn, affected the volume of imports, and customs revenue fell rather sharply in December. The statistics of foreign trade,[1] if presented quarterly, show parallel fluctuations to those of the immigration figures, except that in the early months of 1937 they reveal an upward instead of a downward tendency, owing in part to record shipments of citrus fruit.

Imports (in £P.)

Year.	*Total for Year.*	*Jan.–March.*	*Apr.–June.*	*July–Sept.*	*Oct.–Dec.*
1934	15,152,781	3,247,791	3,798,737	3,594,989	4,511,264
1935	17,853,493	4,352,398	4,255,929	4,388,987	4,856,179
1936	13,979,023	3,732,056	3,000,686	2,868,099	4,378,182
1937		4,201,768			

Exports (in £P.)

Year.	*Total for Year.*	*Jan.–March.*	*Apr.–June.*	*July–Sept.*	*Oct.–Dec.*
1934	3,217,562	1,867,959	590,960	154,884	603,759
1935	4,215,486	2,507,510	714,863	191,669	801,444
1936	3,625,233	2,044,764	218,862	201,425	1,160,182
1937		2,848,398			

The large seasonal variations in the value of exports illustrate the dependence of Palestine on its harvest of oranges and grapefruit, which was exported from November to April. The partial failure of this in 1935–6 had already contributed to the country's economic difficulties before the disorders began. Having risen steadily to 7,331,000 boxes in 1934–5, the export of citrus fruits fell to 5,897,000 boxes in 1935–6.[2] Conversely the resilience of the national economy after the restoration of order in October 1936 was largely due to a record export of over 10,000,000 boxes.

The records of unemployment, unsatisfactory as they are, form a similar pattern. The number of unemployed or partially employed Jewish workers rose from 3,500 in October 1935 to 6,000 at the end of the year and 7,200 in the following February; it reached its height during the summer, declining again in the autumn with the increase of seasonal employment in the citrus plantations which resulted from

[1] The figures here given have been compiled from the *Palestine Commercial Bulletin* (Haifa, monthly).

[2] *Report for 1936*, p. 286.

the heavy crop and a partial boycott of Arab labour by Jewish owners.[1]

It is clear, however, that the unprecedented immigration of 1935 was largely absorbed, and the General Federation of Jewish Labour estimated that the number of Jewish wage and salary earners rose steadily throughout the period under review. Its figures are 59,000 in January 1935, 74,000 in December 1935 and 84,500 in November 1936.[2] This is the more remarkable by contrast with a sharp decline in capital expenditure during 1936.[3]

Year.	*Capital invested in Land.*	*Capital invested in Buildings.*	*New Capital registered by Companies.*
	£P.	£P.	£P.
1934	8,378,000	6,000,000	4,584,000
1935	11,720,000	7,000,000	4,890,000
1936	4,921,000	4,000,000	1,871,000

If it is easy to illustrate, by such figures as these, the partial dependence of Palestine's economic life upon a precarious political situation, it is perhaps more important to inquire how far political developments were themselves conditioned by the country's economic and social structure. With the beginning of Jewish immigration on an appreciable scale, in 1920, Palestine entered a period of industrial revolution similar in many ways to that which had begun in England a century and a half earlier. There was, indeed, an important difference;[4] in Palestine the *entrepreneurs* of the new order were racially distinct from the landowners whose power they were threatening and the peasants and craftsmen whose traditions they were challenging or uprooting. It is for this reason that the defensive alliance between the rulers and the workers of the old economy, which was belatedly and unconvincingly attempted in the England of the eighteen-forties, quickly became a reality in Palestine. The national solidarity of the Palestinian Arabs in opposition to the development of the Jewish National Home was to a large extent

[1] *Report for 1935*, p. 117; *Report for 1936*, p. 136. These statistics are very inexact, and conflict with those of the Jewish Agency, which show a decline in Jewish unemployment, during the summer of 1936, to 3,000 wholly and 1,300 partially unemployed at the end of August. (*Memorandum submitted by the Jewish Agency to the Royal Commission*, 1936, p. 116). At the end of the year the number of unemployed Arabs was thought to be about 6,000 (*Report of the Palestine Royal Commission* (*Cmd.* 5479 of 1937), p. 127).

[2] *Report for 1936*, p. 137.

[3] *Op. cit.*, p. 46; *Report for 1935*, p. 21.

[4] There were many others, notably in the character of the corresponding agrarian revolutions; and the analogy must be used with caution.

independent of economic causes, but there can be no doubt that it was greatly stimulated by fear of the technical ability of the immigrants. Concurrent with the conflict between Arab and Jew was a conflict of intensive agriculture and electric power with subsistence farming and craft industry. The two struggles were by no means synonymous, but there was an inevitable interaction between them. And the familiar complaint that the Arabs forgot the material advantages that they had derived from Jewish expansion ignores the fact that this very evidence of superior wealth and power was for them a danger signal.

The Palestinian industrial revolution, like the English, was accompanied by a rapid growth and concentration of population. It was estimated that the density of population had increased from 78 per square mile in 1919 to over 130 in 1936.[1] The reasons for this startling transformation cannot be found entirely within Palestine itself, since both the quantity and the character of Jewish immigration were largely determined by conditions in the Diasporà. Thus the Jewish community in Germany, after making a negligible contribution up to 1933, thereafter took second place to Poland; over 30,000 Jews had left Germany for Palestine between the beginning of 1933 and the time of writing in 1937, and it is noteworthy that whereas the total immigration in 1936 was less than half that of 1935, the German figure was scarcely affected.[2] Conditions in Palestine might be bad, but conditions in Germany were worse. Of these immigrants an unusually high proportion entered under the 'independent means' category, as possessing a capital of not less than £1,000; the money which they brought into Palestine from 1933 onwards helped in turn to justify enlarged labour schedules, and so to relieve the hard-pressed Jews of Poland and Rumania. Well over half the authorized Jewish immigration between 1919 and 1936 (164,000 out of 290,000) took place after January 1933.

Meanwhile the Arab population in Palestine, which was believed to have been more or less stationary before the General War of 1914–18, was also increasing rapidly, mainly as a result of the cessation of conscription, the drainage of malarial marshes, and the improvement of health services. In absolute figures this growth almost equalled that of the Jewish population, but relatively the latter rose from 11 per cent. at the census of 1922 to about 30 per cent. at the end

[1] A. M. Carr-Saunders: *World Population* (Oxford, 1936, Clarendon Press), p. 311.

[2] According to the Jewish Agency it actually rose from 7,443 to 8,180 (*Memorandum, 1935*, p. 6; *Memorandum, 1936*, p. 6), but the official figure for 1935 was 8,630.

of 1936. It was calculated that continued immigration at the rate reached in 1935 would enable it to overtake the Arab figure in 1947, while even at the diminished pace of 1936 the two peoples would be equal in 1960.[1]

The distribution of this rapidly expanding population showed both that the economy of Palestine had developed a high degree of local specialization, and that its functional frontiers corresponded fairly closely to those of the areas of Jewish penetration. Thus Jewish agriculture was concentrated in the low-lying and irrigable lands—the Maritime Plain between Al Majdal and Mount Carmel, the district between Acre and Haifa, the Plain of Esdraelon, and the valleys from Baysan northwards to the Syrian frontier. These areas now comprised the richest agricultural land in the country, but until the Jewish colonists had acquired them they had been for the most part either underdeveloped or entirely neglected by absentee landlords and a peasantry lacking both knowledge and the capital for the necessary irrigation. The great expansion of citriculture in the sandy plains round Jaffa was one of the major achievements of the National Home, though Arab landowners were quick to learn from the newcomers.

Settlement on the land, however, did not keep pace with the remarkable acceleration in the growth of the Jewish community since 1932. The urban population, which was 68 per cent. of the whole at the census of 1931, had risen by 1936 to 76 per cent.;[2] and nearly the whole of that was concentrated in Tel Aviv and Jaffa, Haifa and Jerusalem. Tel Aviv, 'the only purely Jewish city in the world', was the most striking example of the spontaneous segregation of the two peoples in Palestine. Until 1936 its commercial activity at least was largely bound up with that of neighbouring Jaffa, but the strike of Arab lightermen there was countered by the construction of a jetty in Tel Aviv which might lead to the development of an independent harbour. The growth of the town was extraordinary; its population leapt from 15,000 in 1922 to ten times that number in 1936. Together

[1] *Cmd.* 5479 of 1937, p. 282. The population at the time of writing was nearly 1,400,000, of which approximately 400,000 were Jewish. There had been no census since 1931.

[2] *Jewish Agency Memorandum, 1936*, p. 4. The proportion directly dependent on employment in agriculture was 15 per cent. Agricultural workers, excluding dependents, formed 6·4 per cent. of the population—the same proportion as in the United Kingdom (*Cmd.* 5479 of 1937, p. 115). The tendency for this proportion to fall was reversed, or at least retarded, in the winter of 1936–7 as a result of the large increase in the orange crop. Jewish planters were less willing than before to employ Arab pickers, and the slowing down of building activity in Tel Aviv and elsewhere released Jewish workers to take their place.

with Haifa, it absorbed three-quarters of the vast immigration of 1935, and it was responsible for about half the industrial output of Palestine.

Of this four-fifths was in Jewish hands,[1] the other large concentration being at Haifa, where, owing probably to its better facilities for transport,[2] the heavier industries tended to congregate. The rapidity with which Palestine was being industrialized was illustrated by its imports of industrial machinery as compared with those of neighbouring countries. The import into 'Irāq, per head of population, was 12 per cent. of that into Palestine in 1935; into Egypt and Syria 8 per cent.[3] Hitherto industrial production had been almost entirely for internal consumption, and the list of imports showed that there was still plenty of room for expansion before Palestinian manufacturers need look beyond the home market, except in so far as the economies of large-scale production might be impossible without a wider demand.

Palestine also imported a great deal of agricultural produce, and it was probable that for some years to come both urban and rural enterprise would be mainly devoted to driving competitors from the home market, while leaving to the citrus growers the task of paying for the commodities that still had to be obtained from abroad.[4] The difficulties involved in the pursuit of such a policy as this were the subject of much discussion during the years 1936 and 1937. Its success would necessitate the protection of nascent industries on the one hand, and on the other a determined effort to obtain assured markets for an export of oranges and grape-fruit which was expected to double itself by 1941. But Palestine was precluded both from giving adequate encouragement to new industries and from effective bargaining for export facilities by Article 18 of the Mandate, which forbade fiscal discrimination against states members of the League of Nations. And the Mandatory Power had also refused to discriminate against states which were not members of the League. Thus Palestine

[1] D. Horowitz: *Jewish Colonisation in Palestine* (Jerusalem, 1937), p. 34.

[2] Haifa owed its crucial importance in the economic structure of Palestine to its position as a centre of communications. The motor-way across the desert from Baghdad, and the 'Irāq Petroleum Company's pipe-line from Kirkūk (opened in January 1935) had their terminus there. There was talk of a railway along the same route, and Haifa was already the junction of the line from Egypt and the branch line to the Hijāz railway, connecting Palestine with Syria, Turkey and Arabia. It had the third largest harbour in the Eastern Mediterranean, which was capable of further development, and an airport from which regular services flew to Egypt and 'Irāq.

[3] Jewish Agency's *Memorandum to the Royal Commission*, p. 218.

[4] In 1935 oranges, grapefruit and lemons constituted 84 per cent. of the total exports (*Cmd.* 5479 of 1937, p. 213).

had no weapon against dumping, and nothing to offer in return for a citrus quota. This defencelessness was displayed in the trade returns for 1935, from which a few samples may be taken:[1]

Country.	*Imports to Palestine (in £P.)*	*Exports from Palestine (in £P.)*
Germany . .	2,197,144	250,909
Rumania . .	1,208,204	92,219
Japan . .	645,695	10,707

The Jewish Agency had repeatedly drawn attention to this grievance, and in 1935 the Permanent Mandates Commission observed that 'it would be glad to learn the reasons for which the imports of products of a state which had ceased to be a member of the League of Nations are admitted on an equal footing with the products of states members of the League'.[2] The question was repeated in 1936, and in its Report on that year's administration the Government replied that

> Investigations elicited the fact that since Palestine is dependent on importation for practically all its requirements of manufactured or semi-manufactured goods and raw material, it is in Palestine's own interest to purchase in the cheapest market. Discrimination at best tends to increase the cost of living and to weigh heavily on the poorer classes of the population. There is reason to suppose that the cheapest supplies of certain of Palestine's requirements come from states which are not members of the League of Nations, and the only justification for cutting off supplies from these sources would be if it could be shown that by purchasing such supplies from other countries Palestine could increase the volume or value of her own exports. No evidence can be produced to show that this would be the case.[3]

This statement implied that the interests of the Arab masses were directly contrary to those of the Jewish manufacturers; and it was restricted in effect (as was the question that it answered) to the consideration of trade with Germany and Japan. The Royal Commission of 1936–7, in its examination of this vital problem, questioned the implication and ignored the restriction. It observed that the

[1] *Report for 1936*, pp. 255–6. A good instance of dumping is given by a writer in the *Palnews Economic Annual of Palestine, 1936*, pp. 58–9:

Prices per ton of screws (½ in. × 30 mm.) in £P.:—

Cost of production in Germany	40
Cost of production in Palestine	33·75
Import price, including duty of £P.4	24·1

[2] Permanent Mandates Commission: *Minutes of the Twenty-seventh Session*, p. 226.

[3] *Report for 1936*, p. 265.

Arabs had, as a result of the development of Jewish industry, secured a better market for their agricultural produce, and that the public services from which they had derived so much benefit would have been impracticable without the expansion of the country's taxable capacity resulting from industrialization. And its conclusion was more sweeping than the suggestions of the Jewish Agency or the Permanent Mandates Commission:

> We take the view that the provisions of Article 18 are out of date. Opinion may differ as to the value of economic nationalism: but its principles are wholly inconsistent with non-discrimination and the open door. The application of the principle of the open door to mandated territories was certainly never intended to have an injurious effect on their 'well-being and development'. We think that it is clear that without an amendment of Article 18 Palestine must continue to suffer from the restrictions which hamper international trade and we recommend that negotiations should be opened without delay to put the Palestine trade upon a fairer basis.[1]

Thus in seventeen years the influx of three hundred thousand vigorous and intelligent people, with a capital of £77,000,000 and immense resources of technical skill and commercial experience, had transformed backward Palestine into a highly developed country. As one of the largest producers of an increasingly important crop it occupied a by no means negligible position in the commercial structure of Europe, and its situation and enterprise entitled it to the hope of becoming both a trading and a manufacturing centre for the whole of the Middle East.

How had this transformation affected the Arab population? Arab Palestine had remained predominantly rural, and of the productively employed Muslim population 66 per cent. were engaged in agriculture, as compared with the Jewish figure of 15 per cent.[2] The Christian Arabs were more urbanized, but were not numerous enough to affect the ratio very greatly. Furthermore, the bulk of this agriculture was the most primitive type of cereal farming, giving poor yields in the best years and liable, in the unirrigated hill country, to

[1] *Cmd.* 5479 of 1937, p. 217. Within the limits imposed by Article 18, the Government of Palestine had tried to stimulate local manufactures by raising duties to a protective level and exempting the necessary raw materials. And an agreement was negotiated with the Egyptian Government in 1935, facilitating the export to that country of oranges, grapefruit and olive oil soap (the product of the principal Arab industry).

[2] See the article by Zev Abromovitz on 'The Social-Economic Structure of Arab Palestine', in *Jews and Arabs in Palestine*, edited by E. Sereni and R. E. Ashery (New York, 1936, Hechalutz Organization). Of the total Arab population engaged in agriculture, approximately 50 per cent. were peasant proprietors, 25 per cent. tenant farmers and 25 per cent. landless workers.

periodic disaster through drought. Four-fifths of Muslim farming was of this kind, almost all of it in the hills. The poverty of the upland fallāh had in the past been accentuated by the survival of an antiquated system of communal ownership, by debts contracted in bad seasons and never afterwards shaken off, by inadequate markets and defective communications. In all these respects his position was being improved. As the Government proceeded with its Land Settlement Survey the Mesha'ah land, which had so far been re-allotted every other year, would be broken up into individual holdings.[1] A twofold attack was being made on the problem of indebtedness: much taxation had been remitted after bad harvests, and the Rural Property Tax Ordinance introduced in 1935 had diminished the payments due from the average cereal farmer by 70 per cent.; in the same year an Agricultural Mortgage Bank was formed in Jerusalem to advance money at reasonable rates of interest. Furthermore, sixty-one Arab villages, stimulated by Jewish examples and encouraged by the Administration, had formed co-operative credit and thrift societies. It was stated in the Mandatory Power's Report for 1935[2] that the debts of cultivators in the Northern District had been reduced by 60 per cent. At the same time the rapid growth of the urban population had provided the peasant with an expanding market, and the building of roads had given him the means of access to it. The townspeople on the coast and in the new city of Jerusalem had brought European standards of life with them, and demanded more varied produce from the land than the customary cereals and olives. Bee-keeping, poultry farming and the planting of deciduous fruit trees were, under the guidance of the Department of Agriculture, becoming increasingly common.

Most of these benefits had been conferred by Government, but it must be remembered that the Jewish community made a contribution to revenue which, if perhaps not fully proportionate to its wealth, was relatively far in excess of its numbers.[3] And the Arab landowners in the Maritime Plain had been enriched by the sale of their more or less unutilized lands at increasingly high prices, and by using the proceeds to develop citrus plantations of their own. The extent

[1] The progress of the survey was, however, extremely slow. Settlement began in 1928, and up to the end of 1936 had been applied to about one and a half million dönums, or about one-ninth of the total land area, excluding Beersheba (*Report for 1936*, p. 81). And most of the villages settled hitherto were in the coastal plain.

[2] p. 25.

[3] The Jewish Agency, in its 1936 *Memorandum*, p. 51, estimated it at 63 per cent. for the financial year 1934–5. Thus the *per capita* burden of taxation amounted to £P.12 for the Jews and £P.2. 6*s*. for the non-Jewish population.

of their plantations was not much less than half the total citrus-bearing area.

A disproportionate amount of controversy was created by the question of how many Arab cultivators had been driven from their holdings as a result of the purchase of land by Jews. Commenting, in September 1935, on a petition received by the Permanent Mandates Commission from the President of the Palestine Arab Party, the Mandatory Power stated that 'since the British occupation of Palestine, the lands of some twenty-two Arab villages in the Northern District, with a population at the census of 1922 of 5,138 persons, have passed into Jewish hands. In the Southern District, no large displacement of Arabs has taken place.'[1] Some of these families had found land elsewhere, and over three hundred had received holdings from the Government; in any case the problem was so far a minor one. But the fact that the Jews had hitherto occupied the more sparsely populated areas did not imply that their arrival involved no dangers for the Arab cultivator. The most serious feature of the agrarian situation in Palestine was the congestion of the hill country, owing to the abnormally high rate of natural increase among the rural Muslims. Though no accurate figures were obtainable, it was clear that the number of landless families in the Arab villages must be increasing, while at the same time the available supplies of cultivable land were being occupied by people who could afford to develop them. It was not displacement now so much as overcrowding in the future that threatened the fallāhīn.

There was still room for an undetermined amount of further settlement by both Arabs and Jews,[2] but it was unlikely that the former, without assistance from the Government, would obtain a share of it in any way commensurate with the growth of their numbers. Hitherto the Government had been more concerned to prevent the further displacement of existing cultivators than to find room for new ones. The Protection of Cultivators Ordinance (1933; amended in 1934) provided that no tenant might be disturbed as a result of the sale of the land which he cultivated unless he were provided with an area sufficient to maintain his family. And in January 1936 it was announced that the principle of this Ordinance would be extended to

[1] Permanent Mandates Commission: *Minutes of the Twenty-ninth Session*, p. 187.

[2] Exactly how much was another disputed point. It depended very largely on the extent to which adequate supplies of subsoil water were found in Beersheba. Dilatoriness in carrying out this investigation was one of the charges made against the Administration by the Jewish Agency; it was endorsed by the Peel Commission.

the owner-cultivator, by forbidding him, except in Beersheba and in urban or citrus-growing districts, to alienate that part of his land which constituted a minimum subsistence area. This measure would not only place an obstacle in the way of further Jewish encroachment, but would also arrest the process by which the peasant proprietor was being absorbed by the large Arab landowner. It was objected to by the Jewish Agency on the ground that it would obstruct agrarian progress by impeding the rearrangement of holdings, creating a class of *adscripti glebae*, and making it impossible for the small proprietor to obtain credit on mortgage.[1] It was arguable that the Government could only reconcile their obligations under the Mandate by a more positive policy; under Article 6 they must encourage 'close settlement by Jews on the land,' while 'ensuring that the rights and position of other sections of the population are not prejudiced'. A scheme which seemed to fulfil these conditions more adequately had recently been inaugurated. The Government of Palestine were to co-operate with the Palestine Land Development Company in draining the Hūlah basin, near the Syrian frontier. The company had undertaken, within the area of its concession, to place 15,000 dönums at the disposal of Arab cultivators, retaining about 40,000 for Jewish settlement. The Jewish Agency, in its Memorandum to the Peel Commission,[2] drew attention to this project and advocated similar action in other parts of the country.

> If development is vigorously pressed forward, the Jewish Agency believes that there will be found to be other parts of Palestine in which both Jews and Arabs would benefit by what may be described as a tripartite arrangement between the Government, the Jewish Agency and the Arab cultivators. . . . The essence of the scheme is that the Arab holding would be reduced in size, but increased in terms of productivity, by irrigation to be provided by the Jews. Thus land would be liberated for Jewish settlement, while the Arab cultivator, far from being prejudiced, would be left with a more productive holding than before.[3]

The Peel Commission, while taking a less optimistic view of the amount of land likely to be available for such enterprises, and attaching detailed conditions to the suggestion, endorsed a similar proposal for extending the Hūlah experiment.[4]

[1] *Memorandum to the Royal Commission*, pp. 145–7. The proposal was also criticized, for rather different reasons, by the Commission.
[2] *Op. cit.*, pp. 195–8, 205–7.
[3] *Op. cit.*, p. 206.
[4] *Cmd.* 5479 of 1937, pp. 247–51.

Meanwhile the coincidence of rural overcrowding with rapid industrial development was operating to attract large numbers of Arabs into the sphere of casual and unskilled labour. The creation of an urban proletariat was a normal feature of industrial revolutions, and its usual result, for the workers who exchanged rural for urban poverty, was a slight improvement in the standard of living. In Palestine it is probable that contact with the higher standards of the Jewish community made this improvement more appreciable than it was elsewhere. The wages paid for unskilled labour were not only higher in Palestine than in 'Irāq or Syria, but higher also in the areas of mixed population than in districts inhabited purely by Arabs.[1] On the other hand a more highly organized economy tends also to be more precarious, and in the event of a slump the unskilled workers would be the first to suffer, while to the special conditions created in Palestine by the Jewish immigration must be added abnormally high rents in the towns. A testimony to this drawback was to be seen in a suburb of Haifa, where several hundred Arab workers lived with their families in huts that they had built for themselves out of old petrol tins.[2]

But the general increase of prosperity which had affected, however slightly, all classes of the Arab population was obscured by the far more striking contrast between the two communities. The Arab was naturally less impressed by the improvement in his own condition than by the gulf which still divided him from the Jew.

> Two scales of wages [writes a Jewish observer] have been created in Palestine, one for 'European' and one for 'Asiatic' labour. . . . The Jewish worker has, by arrangement between the trade unions and the employers' associations, generally speaking an eight-hour day, a rest day on Saturday, annual vacation for office workers and permanent labourers, as well as, frequently, a contribution by the employer to the —voluntary—workers' sick insurance fund; whereas the Arab worker works up to twelve hours on the mixed farms, up to ten hours in the citrus plantations, while in urban employment he has a weekly day of rest only in exceptional cases (e.g. in government works), and never gets a holiday.[3]

[1] Evidence on these points is to be found in *Cmd.* 5479 of 1937, p. 127, and in the Jewish Agency's *Memorandum to the Royal Commission*, p. 253.

[2] It was calculated that the rent of a single room in Haifa would absorb about 40 per cent. of the income of a dock labourer. See *Who is Prosperous in Palestine?* by British Resident (Labour Monthly Pamphlets, No. 7, 1936), p. 32.

[3] Dr. J. Adler, in *Palnews Economic Annual, 1936*, p. 207.

Official tables of comparative daily wages were compiled in 1935:[1]

Prevailing Daily Wages, in mils, for Adult Male Labour

	European	*Asiatic*
Agricultural work:		
Ploughing	250–400	80–120
Orange-picking	220–225	120–200
Porterage	200	80–100
Industrial work:		
Quarrymen, skilled	450–600	200–300
,, unskilled	350–400	100–140
Cabinet makers, carpenters, skilled	500–600	250–350
,, ,, ,, semi-skilled	350–400	150–200
Masons, skilled	600–700	500–600
Building labourers	350–400	100–180
Government employment:		
Road asphalters	250–500	120–400
General labourers	120–400	70–200

The discrepancy is not fully revealed by these figures, for the less skilled types of work, in which the double standard is most evident, are also those in which the proportion of Arabs was high.

The striking inequality in both wages and conditions of work reflects the contrast between the power of the Histadruth, the General Federation of Jewish Labour, and the unorganized state of the Arab workers. The Histadruth had made attempts to encourage the growth of trade unionism among the Arabs, but the heightened political feeling of the years 1936 and 1937 brought these to an end. The situation as it stood at the time of writing obviously endangered both Jewish standards of living and the Zionist ideal of an economically complete community in which every type of work, from casual labour upwards, would be done by the Jews. The writer already quoted expresses these fears:

> Added to the oriental economic sphere and that of Jewish mass settlement, there is the attempt of . . . capitalists and experts to turn Palestine . . . into a colony for the exploitation of plantations and raw materials after the fashion of other tropical colonies, a colony in aim, structure and function to be sharply differentiated from the type of colony for settlement towards which Jewish national reconstruction is set. . . . In Palestine it is citrus plantation which has been drawn into the net of colonial economics. The share of Jewish labour in Jewish orange plantations has decreased from 54 per cent. in 1933 to 45 per cent. in 1934 and 28 per cent. in 1935.[2]

[1] *Palestine Blue Book, 1935* (Jerusalem, 1936, Government Printing Office), pp. 176–8. The word 'Asiatic' covers Yamanite Jews. Fifty mils equal one shilling.

[2] *Palnews Economic Annual, 1936*, p. 199.

The reversal of this process in 1936 has already been mentioned; the number of Jewish labourers in all branches of agriculture doubled between December 1935 and November 1936, and there was a considerable increase in the proportion of Jews employed at low wages.[1]

It seemed that this problem of the double standard of living could only be solved in two ways; either by a more complete segregation of the two peoples, or by the appearance of an economic stratification on racial lines. Realizing that the first of these solutions, no less than the second, would be a source of antipathy between Arab and Jew, the Jewish Labour Party had tried to formulate a third, based on the view that the horizontal division of society into classes was more important than its vertical division into nationalities. But the Muslim fallāh who felt that he had more in common with the member of the Histadruth than with the efendīs of his own people must have been a rarity in Palestine; and the Labour Party itself was intensely nationalistic. It would be a long time before the social issue replaced nationalism as the crux of Palestinian politics, and until it did the economic inferiority of the Arabs was likely to provide nationalist propaganda, on both sides, with much of its ammunition.

An important cause of this inferiority was to be found in a comparison of the educational opportunities open to the two peoples. In the financial year 1935–6 the Government of Palestine spent £P.221,000 (just over 5 per cent. of the total expenditure) on education. This was distributed between Arab schools under the direct control of the Department of Education and the Hebrew schools controlled by the Va'ad Leumi, in proportions determined by the ratio between the numbers of Arab and Jewish children of school age. Including certain charges on other departments, the Arab system received £P.193,000 and the Hebrew £P.41,000.[2] But whereas the Arab schools were almost entirely dependent on the financial support of the state, the voluntary effort of the Jewish community provided, through various channels, 88 per cent. of its public educational budget in 1935–6. Thus, excluding the various groups of private schools, which had altogether about 20,000 Jewish and about 30,000 Arab pupils, the Jewish school-age population, although it was less than 25 per cent. of the Arab, had over half as much again spent on its education.[3] Whereas elementary education was almost universal among the Jews, the Department of Education was not yet in a position to satisfy even the active demand for it from the Arab

[1] *Report for 1936*, p. 138. [2] *Op. cit.*, p. 152.

[3] The total budget for the Hebrew public system was given in *op. cit.*, p. 161, as just under £P.336,000.

population, and had to reject a large number of applications for places. The following figures show that the increase in accommodation was barely keeping pace with the growth in population and demand.[1]

Percentage of applications deferred:

	1933	*1934*	*1935*
In towns . . .	38	41	41
In villages . . .	41	36	42

The figure for rural schools, large as it was, did not adequately express the gravity of the situation, since it was derived only from those villages where schools had been established.

Roughly speaking, the percentages of Muslim children who receive education for some period or other, however insufficient, have been estimated as follows:

	Boys	Girls
In towns	75	45
In villages	40	1[2]

The inequality here apparent in the provision of elementary education became more pronounced as the higher stages were reached. The following table compares the two public systems for the year 1934–5.[3]

Grade.	*Arabs.*		*Jews.*	
	Years of Schooling.	*Number of Pupils.*	*Years of Schooling.*	*Number of Pupils.*
Lower Elementary . .	0–5	33,648	0–5	20,273
Higher Elementary . .	5–7	1,912	5–8	5,543
Lower Secondary . .	7–9	339	8–10	960
Higher Secondary and/or Training College . .	9–12	106	10–13	556

In addition 1,500 Jews and 150 Arabs were receiving technical or agricultural education.[4] But it was at the top that the contrast became complete. For the Jewish educational system was crowned by the Hebrew University at Jerusalem, which in 1935 was giving to 391 students, 30 per cent. of whom had come from Palestinian

[1] *Report for 1935*, p. 137. There were no comparable figures for 1936, as the majority of the Government schools were forced to close down in the summer.

[2] *Report for 1936*, p. 154.

[3] Taken from the *Annual Report, 1934–5*, of the Department of Education (Jerusalem, 1936), Tables VI and XIII. There were also 1,846 pupils in the secondary classes of private schools, 113 in Muslim schools, 1,021 in Christian schools, 712 in Jewish schools (*op. cit.*, p. 37). It is impossible to determine what proportion of the figure for Christian schools was represented by Arabs. Probably the numbers of Jews and Arabs in all private secondary classes might be taken as roughly equal.

[4] *Annual Report, 1934–5*, of the Department of Education, p. 83.

schools, an education comparable in quality with that of the Universities of Western Europe.[1] It had a Department of Arabic, but all its teaching was in Hebrew, and there were no Arabs among the students. A project for a Muslim University at Jerusalem was adopted by the Islamic Congress which met there in December 1931, but the money for its accomplishment had not been found at the time of writing.[2] Arabs, therefore, who wished to go beyond the secondary stage must leave Palestine; in 1935 there were 232 in the American University at Bayrūt, and about 20 in British Universities. In the same year some 200 Palestinian Jews were studying abroad.[3]

The educational system did not merely symbolize the separation of the two peoples in Palestine; it actively promoted it.

> From the age of three or four years, when children enter the kindergarten to be taught Hebrew if they do not know it already, pride in the past of Jewry and in the National Home as an exclusively and intensely Jewish achievement of the present is the dynamic centre-point of their whole intellectual development. The idea that they are to share their life in any way with the Arabs, that they are growing up to be fellow-citizens with Arabs in a common Palestinian State, is only recognized in the teaching of a little Arabic in the secondary schools; and that provision, excellent in itself, is wholly insufficient as long as the rest of the teaching is inspired by a purely Jewish rather than a Palestinian objective. . . . Though the Arab school system is a Government system, its nationalist character is quite as marked as that of the non-Government Jewish system. The curriculum both in primary and secondary schools is mainly concerned with the Arabic language and Arab tradition. There is no teaching of Hebrew and little or none of Jewish history.[4]

It was significant that all the senior teachers in the Arab schools signed a letter[5] sent by the higher Arab officials to the High Commissioner on the 30th June, 1936, recommending a suspension of Jewish immigration as 'the only fair, humane and honourable solution of the present deadlock'.

Each succeeding generation, as it passed through the schools, was more deeply penetrated than the last with the feeling of national

[1] *Op. cit.*, p. 38.

[2] See the *Survey of International Affairs, 1934*, pp. 106–9.

[3] Department of Education, *op. cit.*, pp. 37–8. See, for the whole of this section, the illuminating study of Palestine contained in W. K. Hancock: *Survey of British Commonwealth Affairs: Vol. I, Problems of Nationality* (London, 1937, Oxford University Press), pp. 429–85.

[4] *Cmd.* 5479 of 1937, pp. 335–6 and 339. The Commissioners pointed out that the Government, not being in a position to control the Jewish schools, could not justifiably impose a less one-sided curriculum on the Arabs.

[5] See also p. 733 below. The text was printed as an appendix to the report of the Peel Commission (*Cmd.* 5479 of 1937, pp. 401–3).

exclusiveness. And the world into which it emerged had few features which tended to moderate that feeling. Split geographically, functionally and culturally, not without some blurring of the frontiers but with no effective mitigation of their clarity, Palestine consisted of two distinct societies uncomfortably contained within a single state. There had been hopes, disappointed in 1929 and again in 1933, that the habits of a common life would gradually solidify into the foundation of a united people. The years 1935–6 saw an attempt to build a constitutional structure on that foundation, and a convincing demonstration of its weakness.

(*c*) The Arab Rising of 1936

The spectacular growth of the Jewish National Home, though the stimulus it gave to the Palestinian economy must in some measure have affected the remotest Arab villages, intensified the hostility of the Arab population both to the immigrants and to the Mandatory Government under whose protection they came. The political leaders had watched the rapid progress of the other mandated territories in the Middle East towards national independence. Even backward Transjordan had had a Legislative Council since 1928, and was recognized by a treaty with Great Britain as an 'independent government'.[1] If, then, the 'development of self-governing institutions' mentioned in Article 2 of the Mandate for Palestine had not yet begun, the reason clearly was not that the population was not considered ready for it. In 1922 the Arabs had themselves rejected the offer of a Legislative Council, with extremely limited powers, on the ground that its inadequacy was a result of the Mandatory Government's other obligation to the Jewish minority, and that so long as that difficulty remained the Council would not be allowed to exercise any effective control over the administration. To accept the Council would be to endorse the Mandate, and it was the Mandate which prevented, and would continue to prevent, the Council from fulfilling Arab aspirations. The presence of the Jews was thus the cause to which they attributed their subjection to a bureaucracy of the Crown Colony type. The National Home was a barrier between the Palestinian Arabs and liberty.

Now, however, a new danger appeared. The sudden expansion of immigration, culminating in 1935, brought the Arabs face to face with the prospect of a Jewish majority in Palestine within a dozen years. That the representative institutions for which an Arab majority had waited in vain would be refused to a Jewish majority

[1] See the *Survey for 1928*, pp. 321–8.

they could hardly believe. They knew that the Zionists could control influential means of propaganda in London and thought, rightly or wrongly, that these influences had already given a bias to British policy on more than one occasion. If, then, they were not to be brought under the control of a Jewish Government within a generation, they must resist the policy of the Mandatory Power now. The underlying causes of the disturbances of 1936 were summarized by the Peel Commission as:

(1) The desire of the Arabs for national independence.
(2) Their hatred and fear of the establishment of the Jewish National Home.[1]

There were many evidences, during 1935, of increasing Arab solidarity. A campaign began to prevent more land from passing into Jewish hands, and a bank was formed, with a capital of £P.60,000, to facilitate its conduct.[2] Landowners accused of selling to Jews were denounced in the mosques and in the press, others were persuaded to register their lands as family *awqāf*,[3] and one contract for the sale of 5,000 dönums was cancelled under pressure from the Supreme Muslim Council.[4] At the same time a protracted campaign in the press against the leaders of the Arab parties for allowing their personal disputes to obscure the need for unity led to the gradual formation of a national front.[5]

[1] *Cmd.* 5479 of 1937, p. 110. [2] *Report for 1935*, p. 18.

[3] 'Where a property is made *waqf* the proprietary right of the grantor is divested and it remains henceforth in the implied ownership of the Almighty. The usufruct only is applied for the benefit of human beings and the subject of the dedication becomes inalienable and non-heritable in perpetuity.' Quoted in *Cmd.* 5479 of 1937, p. 151.

[4] *Report for 1935*, p. 17.

[5] These parties had not long been formed, but they reflected family rivalries which had existed both within the Executive Committee of 1919–34 and under the Turks before 1914. The two most important of the new formations, the Palestine Arab Party and the National Defence Party, represented the Husaynī and Nashāshībī factions respectively. The latter, led by Rāghib Bey an-Nashāshībī, the ex-Mayor of Jerusalem, was the more moderate, being in general opposed to violent methods. The leader of the Palestine Arab Party was Jamāl Efendī al-Husaynī, and its power was largely derived from its close association with the Mufti of Jerusalem, Hāj Amīn Efendī al-Husaynī, who was also President of the Supreme Muslim Council. On the opposite wing from Nashāshībī was 'Awnī Bey 'Abdu'l-Hādī, the leader of the Istiqlāl movement, many of whose members also belonged to one of the other parties. Aiming at immediate independence, and pursuing a policy of non-co-operation with the Mandatory Government, he had the advantages which an uncompromising attitude normally brought in nationalist movements, and his newspaper, *Al-Difā'ah*, had a circulation larger than that of Jamāl Husaynī's *Al-Liwā* and equal to that of the National Defence Party's *Filastīn*. (*Cmd.* 5479 of 1937, pp. 132–3). The remaining parties were the Reform Party, whose most in-

The Jewish community, remembering the attacks it had suffered in 1920, 1921, 1929 and 1933, naturally reacted to this resurgent hostility. The Administration reported[1] that a 'number of minor incidents occurred in Tel Aviv in the summer and autumn [of 1935], in which passing Arabs were assaulted by Jews, or Arabs forcibly prevented from working for Jews. The Municipal Council of Tel Aviv published an appeal to the populace to be of good behaviour and the General Federation of Jewish Labour co-operated.' The incidents thereupon diminished in number, but the tension of which they were symptomatic remained, and Palestine, in the summer of 1935, was divided into two hostile camps.

That there was a danger of armed conflict was made clear by two events in the autumn. On the 16th October it was discovered that of 537 drums landed at Jaffa, and supposed to contain cement, 359 contained firearms of various kinds, with 400,000 rounds of ammunition. They were consigned to one Isaac Katan at Tel Aviv; he was never identified, but the Arabic press not unnaturally concluded that certain sections at least of the Jewish population were arming on a large scale, and a general strike was called in protest on the 26th October.[2] That the Arabs themselves had considerable, though for the most part somewhat antiquated, supplies was well known; no serious attempt had been made to disarm the country either after the General War, when the retreating Turks abandoned much of their equipment, or after any of the previous disturbances. Gun-running, furthermore, was much easier across the land frontier than by sea, so that there was more possibility of the Arabs obtaining supplies secretly. The second incident, a few weeks later, was the appearance, in the hills of Galilee, of an armed band of Arabs, led by Shaykh 'Izzu'd-Dīn al-Qassām, a political refugee from Syria. They were dispersed after some skirmishing in which two policemen and five of the band lost their lives. Among the latter was Shaykh 'Izzu'd-Dīn himself, and his funeral at Haifa was attended by a large and excited crowd. The Arabic press wrote of him as a martyr to the patriotic cause.[3]

fluential member was the Mayor of Jerusalem, Dr. Husayn Efendī al-Khālidī; the Arab Youth Organization, led by Ya'qūb Efendī Ghusayn; and the National Bloc, under 'Abdu'l-Latīf Bey Sālah. (See the *Report for 1935*, pp. 14–15, and an article in *The Palestine Review*, Jerusalem, 12th March, 1937.)

[1] *Report for 1935*, p. 7.

[2] *Op. cit.*, p. 125. On this point the *Report of the Palestine Royal Commission* observes that 'there is good reason to suspect that, like the Arabs, the Jews possess a large number of illicit arms. The shipment discovered by accident at Jaffa in 1935 was probably the last of three or four similar shipments.' (*Cmd.* 5479 of 1937, p. 200.)

[3] *Report for 1935*, p. 6.

Meanwhile the consolidation of the Arab parties was proceeding, and on the 25th November five of them[1] joined in the presentation to the High Commissioner of a memorandum which contained the following demands:

(1) The establishment of democratic government in accordance with the Covenant of the League of Nations and Article 2 of the Palestine Mandate.

(2) Prohibition of the transfer of Arab lands to Jews, and the enactment of a law similar to the Five-Faddān Law in Egypt.

(3) (*a*) The immediate cessation of Jewish immigration and the formation of a competent committee to determine the absorptive capacity of the country and lay down a principle for immigration.

(*b*) Legislation to require all lawful residents to obtain and carry identity cards.

(*c*) Immediate and effective investigation into illicit immigration.[2]

The reply of His Majesty's Government was conveyed to the Arab leaders by Sir Arthur Wauchope on the 29th January, 1936. It rejected the first part of the third demand, and ignored the other two. The first clause of the second demand was passed over in silence, but it was announced that the Secretary of State for the Colonies approved in principle of a measure, already described,[3] to forbid any landowner to sell his land unless he retained a minimum subsistence area. This appeared to impose a more complete protection on the small cultivator than the Five-Faddān Law, which merely prevented his expropriation for debt.

Attention, however, was already concentrated on the reply which had previously been given to the first and most important of the Arab demands. On the 21st and 22nd December, 1935, Sir Arthur Wauchope had announced to the Arab and Jewish leaders successively detailed proposals for a Legislative Council. The High Commissioner, since his arrival in Palestine in 1931, had been working to provide greater opportunities for the two peoples to acquire the habit of co-operation. Appearing in person before the Permanent Mandates Commission in 1932, and being questioned on his expressed intention to encourage the habit of joint self-government, he said that 'he was convinced that there were no fundamental psychological difficulties to prevent the successful co-operation of the Jews and Arabs.'[4] In that conviction he worked out his policy.

[1] The exception was the Istiqlāl party, and that to some extent overlapped with the others.

[2] *Report for 1935*, p. 15. These demands were almost identical with those presented by the Palestine Arab Executive in 1930. See the *Survey for 1930*, pp. 287–8.

[3] See pp. 712–13, above.

[4] Permanent Mandates Commission: *Minutes of the Twenty-second Session*, p. 85.

In January 1934 a Municipal Corporations Ordinance was enacted and elections were held for twenty Municipal Councils, the franchise being exercised by all male citizens of Palestine possessing a small rate-paying qualification and being at least twenty-five years of age. In his statement of December 1935, Sir Arthur Wauchope said that these Municipal Councils were now, in his judgment, working satisfactorily. The Peel Commission differed from this opinion. It found that little interest was taken, outside Tel Aviv, in municipal affairs, a defect which it attributed to the strict financial control exercised by the District Administration and to the monopoly by the General Government of the more interesting services, notably health and education.[1]

However that might be, it was decided to proceed to a measure of democracy at the centre. The proposed Council was to consist of twenty-eight members, distributed as follows:

	Elected.	*Nominated.*	*Official.*
Muslims . .	8	3	..
Jews . . .	3	4	..
Christians . .	1	2	..
Commercial . .	..	2	..
Officials . .	..	..	5
Totals . .	12	11	5

The President would be 'some impartial person unconnected with Palestine, probably with judicial experience'. He would neither speak nor vote, and in the event of a deadlock the senior official member would have a casting vote. The electorate would consist of Palestinian citizens[2] not less than 25 years old, each community being left to decide whether or not women were to have the vote. Remembering the boycott of the 1923 elections by the Arabs, the Government announced that the High Commissioner would have power to counter any such action by nominating 'British officials or such persons as he might think fit' to fill the vacant seats. The Council would sit for five years, in two annual sessions of six weeks each. Its powers were explained as follows:

(1) To debate on all Bills introduced by Government, to amend and to pass them for assent or dissent by the High Commissioner.

[1] See chapter xvii of *Cmd.* 5479 of 1937. There were also a number of Local Councils in the rural districts, but these had still fewer powers, and seven had been abolished at their own request. The Jewish communities had developed their own system of communal autonomy, for which they had not as a rule sought legal status.

[2] Except at the first election, when there was to be a residential qualification. Members, however, other than officials, were to be citizens of Palestine, and not less than thirty years old.

(2) To introduce Bills, except Money Bills, subject to the consent of the High Commissioner.

(3) To consider and debate on the annual Budget; there would be a general debate and then the estimates would be passed as a whole, after examination in Committee. There would be a limit set to the number of days during which the Estimates could be discussed. . . .

(4) To propose any question of public interest for debate, provided that no vote for the expenditure of public money or the imposition of taxation may be proposed except by the direction of the High Commissioner, nor any resolution which in the opinion of the High Commissioner is likely to endanger the public peace. . . .

(5) To ask questions of the Executive relative to the administration of government.

Any resolution suggesting that the Mandate should be abolished or disregarded would be disallowed by the President, but criticism of the labour schedules would be permitted, though their final determination would remain with the High Commissioner. These limited powers were further to be conditioned by the right of the High Commissioner to give legislative effect to urgent measures either when the Council was not sitting, or after the failure of the Council to pass them.[1]

The reception of these proposals in Palestine was directly contradictory to that given to the similar project in 1922. Whereas it had then been the Arabs who sabotaged a Council accepted by the Zionists, it was now the latter who offered the more determined opposition. The nineteenth Zionist Congress, held at Lucerne in the previous August, had already expressed its opposition to any extension of self-government in Palestine at the present stage of its development, and this attitude was re-emphasized by Dr. Weizmann in December 1935.

> We regret the setting up of the proposed Legislative Council as involving a grave departure from the underlying conceptions of the Mandate. Palestine is the concern of the Jewish people as a whole, not of the present Palestinian population alone. Moreover, to entrust legislative power, in whatever measure, to those who openly reject and defy the Mandate and more particularly the establishment of the Jewish National Home, must inevitably undermine the mandatory régime. I regret therefore to have to state . . . that the Jews will be unable to co-operate in the proposed Legislative Council.[2]

[1] See *Proposed New Constitution for Palestine* (*Cmd.* 5119 of 1936).

[2] *The New Judaea*, December 1935. A less uncompromising attitude was expressed in the *Memorandum of the Jewish Agency to the Royal Commission*, p. 282:

> 'There can, in the submission of the Jewish Agency, be no satisfactory solution of the problem of self-government which is not based on the principle that between the two peoples which live side by side in Palestine there

The attitude of the Arab leaders was less decided. Objections were raised in their press to the extent of the High Commissioner's powers, and to the disproportionate representation of the communities by the nominated members, but both the National Defence Party and the Reform Party accepted the scheme in principle. The more extreme organizations called for drastic revision, but the hostility of the Jews to the proposed Council probably enhanced its value in their eyes, and it seemed fairly certain that they would end by accepting.

It seemed, then, that there was to be a repetition of the situation of 1923, with the Jews instead of the Arabs taking an intransigent line and the Government prepared, as they had not been in 1923, to carry out their project with the co-operation of one party only. But on the 26th February, 1936, Lord Snell raised the issue in the House of Lords at Westminster, and in the ensuing debate not a single speaker, apart from their official advocate, supported the Government's proposals. This setback was turned into a decisive defeat by the debate in the Commons a month later. The Secretary of State, Mr. J. H. Thomas, had only two supporters, and the opposition, which came from all parties, rested much of its case on the Zionist contention that the proposals were inconsistent with the Balfour Declaration and the Mandate in which it was incorporated. Those speakers who did not condemn any development of self-government in principle maintained that it had been conceded too hastily and demanded that a Royal Commission should first be sent to investigate the problem.

In Palestine a Hebrew newspaper spoke of 'a great Jewish victory', and the Arabic press attributed the attitude of the British Parliament solely to Zionist pressure.[1] It assumed, probably with justice, that

> can, neither now nor in the future, be any question of majorities or minorities. The time may come when the consciousness of a common citizenship and of a common interest in the welfare of Palestine has developed to a point at which the problem of self-government need no longer be considered in terms of Arab and Jewish representation. But until both peoples agree that that stage has been reached, the principle that, irrespective of numbers, there shall be no domination on either side should, in the submission of the Jewish Agency, be recognized as the guiding principle in the constitutional development of Palestine.'

But the numerical parity which this statement seems to envisage as a possible basis for a Legislative Council was certain to be refused by the Arabs.

[1] These allegations were referred to by Dr. Weizmann in the speech which he delivered before the twentieth Zionist Congress at Zürich on the 4th August, 1937.

> 'When [he said] some of our friends in the House of Commons did me the honour of inquiring whether I thought that a debate [on the proposals for a Legislative Council] would be useful, I advised against it. I was not in favour of displaying the full support which the Mandate—I do not say the

the Government would not proceed with the scheme, at any rate in its present form, and compared the situation with that created by Mr. MacDonald's letter to Dr. Weizmann in 1931.[1] On both occasions, the Arabs maintained, official declarations favourable to them had been nullified by the crushing superiority of Jewish propaganda in London.

An attempt was made to counteract this impression. On the 2nd April, 1936, the High Commissioner conveyed to the leaders of the five Arab parties an invitation from the Colonial Secretary to send a delegation to London to discuss the question of constitutional reform. But this invitation served rather to emphasize the fact that a project which the Arab leaders had, however grudgingly, accepted was now suspended for further consideration; and from that process they could hardly hope to gain. The invitation was nevertheless accepted, but the composition of the delegation had not been decided when, a fortnight later, the disturbances began.

It was not, however, this historical coincidence that frustrated yet another attempt by the Mandatory Power to honour the obligations imposed upon it by Article 2 of the Mandate. Its representatives had frequently asserted the compatibility of the development of self-governing institutions with the establishment of the National Home, but it had long been evident that neither party in Palestine shared its optimism. And the paradox continued of two peoples, each fitted to govern itself, but together incapable of doing so. Even supposing that the project for a Legislative Council had survived the hostility of the Parliament at Westminster and the upheaval of 1936, its future, unless national feeling subsided to a most unlikely extent, would have been unhopeful.

Whereas this difficulty did not touch what for the Jews were the essential parts of the Mandate, it was vital for the Arabs. Their indignation, first with the illusory character of the British Government's concession to the demand for self-government, and then at its apparent withdrawal, was intensified by the contrast between this sequence of events and simultaneous developments in Egypt[2] and Syria.[3] In the autumn of 1935 rioting in Egypt, notably by the

Jews, but the Mandate which forms an integral part of British policy in the Near East—received from British public opinion. And no sooner had the debate taken place than voices were raised in Palestinian official circles alleging that the Jews wielded enormous influence in England, that they had staged the debate, and thereby greatly added to the difficulties of the Palestine Administration.'

[1] See the *Survey for 1930*, pp. 301–4.
[2] See section (i) of this part of the present volume.
[3] See section (iii) of this part.

students of Cairo, had been followed by the British Government's acceptance of a request for the negotiation of a treaty. And in January 1936 a strike began in Syria which continued, with a good deal of disorder, until the French Government announced their intention of negotiating an agreement to terminate the Mandate and support the application of Syria for admission to the League of Nations. The Arabic newspapers in Palestine followed these developments with interest, and pointed the moral. 'Rise to rid yourselves of Jewish and British slavery', wrote one of them. 'The leaders in Egypt have awakened. Where are our leaders hiding?' The promise of national independence to Syria, with which Palestine had still closer ties, aroused far more interest, and envious congratulations were sent to 'our heroic brothers in the northern part of this oppressed Arab country'.[1] The feast which was held by the Muslims of Palestine every April to celebrate the birth of Moses provided an opportunity for the expression of these feelings. It traditionally culminated in a procession from the village of Nabī Mūsā to Jerusalem, and during the entry into the city a refrain was chanted, in which the leader asked a question and a chorus answered. The theme was a topical one, varying from year to year, and in 1936 it was: 'Who was it who resisted for fifty days?—Damascus!'[2]

Taking these internal and external factors into account, it is not difficult to visualize the situation as Arab opinion simplified it in the spring of 1936. The attempt which had been made in Palestine to take the first steps towards autonomous government had broken down because in a campaign of peaceful persuasion all the advantages lay with the Jews. Meanwhile the peoples of Syria and Egypt were about to achieve complete independence after demanding it with violence. At the same time the outcome of the Abyssinian adventure seemed to reveal a decline of British power in the Eastern Mediterranean,[3] and this lesson was heavily underlined, in Arabic, from the wireless station at Bari. The arguments for an armed rising were thus not negligible, but there is little evidence that any such movement had been planned before the 19th April. Fawzī-u'd-Dīn al-Kāwakjī, the ex-officer of the 'Irāqī Army who constituted himself the generalissimo of the Palestinian revolt in its later stages, described, in an article written for an Egyptian weekly after the disturbances were over,[4]

[1] These quotations are taken from *Cmd.* 5479 of 1937, p. 94.

[2] In 1937 it was: 'Whose heads shall we chop off?—The English!' The writer is indebted for this information to Miss E. Monroe.

[3] See the *Survey for 1935*, vol. ii; and the present volume, Part IV, section (ii).

[4] A summary of this was given in *The Times*, 1st April, 1937.

how he visited Palestine in July 1934 and again in April 1935, with the object of organizing a rebellion. There was to be a simultaneous movement in Syria, but in each country in turn the conspirators were forestalled by the outbreak of a strike. It was not until the disturbances had lasted for over four months that the 'generalissimo' entered Palestine.

It was the spontaneous rising of the Arab masses, not the deliberate policy of their leaders, that precipitated the crisis. The fullest account accessible at the time of writing of the incidents which released the accumulated tensions of the preceding months and so plunged Palestine into civil strife was contained in the British Government's Report to the Council of the League of Nations.[1] It begins with the night of the 15th April, when

> A number of cars on the road between Tulkarm and Nāblus were held up by Arab highwaymen. After the armed robbers had removed valuables from the occupants of the cars, three Jews were forced to sit together in a truck where they were shot by the bandits in cold blood. One was killed outright and another died later from his injuries. There is little doubt that the unfortunate victims were deliberately chosen because they were Jews.
>
> On the following night two Arabs living in a hut near the road from Kfar Saba to Petah Tiqva were deliberately shot by two armed men. Before he died, one of the victims stated that the assailants were Jews, and he described them. It was the general impression among Arabs throughout the country that the crime was a reprisal for the murder of Jews on the previous night.
>
> One of the Jews shot on the 15th April was buried at Tel Aviv on the 17th, and the funeral was made the occasion of a demonstration. The police were stoned, speeches were made, and there were cries of 'We don't want this Government, we want a Jewish Army'. A party of Jews started to move towards Jaffa but were stopped by the police.
>
> The funeral was succeeded by an anti-Arab labour campaign in Tel Aviv, and some unemployed Jewish labourers demonstrated outside shops which employed Arabs. In the afternoon an Arab carter was assaulted by a party of Jews who forced him to return to Jaffa, and later a shop was broken open and looted because the manager was an Arab and Arabs were employed there. That evening a number of Arab carters passing through Tel Aviv were assaulted or threatened, and there were several other cases of assault.
>
> On Saturday the 18th an Arab delivering ice in Tel Aviv was assaulted and his ice destroyed; and an Arab omnibus in Tel Aviv was stoned by Yamanite boys, as was an Arab-driven truck. In the Manshīyah quarter of Jaffa, which is the northern part of Old Jaffa and adjoins Tel Aviv, Arabs employed on structural alterations in a shop were molested.

[1] *Report for 1936*, pp. 7–9. The account of the disturbances which follows is taken, except where other references are given, from this Report, pp. 7–35, and from *Cmd.* 5479 of 1937, Chapter IV.

During the 17th and 18th of April no case of reprisal on the part of Arabs was reported to the police.

On Sunday, the 19th April, about 9.30 a.m., rumours became current in Jaffa that two Arabs had been killed in Tel Aviv by Jews, and crowds of Arabs began to congregate in the centre of the town. Further rumours were subsequently circulated that the bodies of the two alleged victims had been brought to the Jaffa Central Police Station. Despite denials of the rumours by the District Commissioner, and a subsequent abortive search by Arab notables, at his invitation, of the Central Police Station and buildings, the crowd maintained their belief in the rumour and departed amid much disorder towards the Government hospital to pursue their investigations. On their way they made a series of indiscriminate assaults on Jews.

Simultaneously, two other rumours, also unfounded, had gained wide credence in two other separate parts of Jaffa:

(*a*) In the Manshīyah Quarter: that four Arabs, including one woman, had been murdered by Jews.

(*b*) At the Town Square: that three Arabs had been killed by Jews in an Arab orange-grove on the Salamah Road.

The effect of these rumours was to produce immediate acts of violence by Arabs.

A lady in her car just escaped from an Arab attack and got back to Tel Aviv. Her damaged car was closely followed into Tel Aviv by other vehicles, similarly damaged by violence and stone-throwing. A Jewish lorry driver and his assistant were also injured by stones. Thereafter cars passing from Tel Aviv towards Jaffa were systematically stoned by a patrol of Jews operating along the road from a lorry. During this stone-throwing one Arab lorry travelling towards Jaffa had its windscreen smashed, and an Arab who was riding on the top of the load was severely injured. When the driver of this lorry, who had been cut about the face, reached Morum's Corner, one of the main traffic centres of Jaffa, he (or a companion travelling with him) shouted: 'The two on top have been killed by Jews.'

Later, when two more wounded Arabs arrived in another car, the Jaffa crowd started to stone and attack the police, threatened an advance on Tel Aviv, and murdered a Jew in an adjacent street. The police repeatedly warned them to disperse and when, despite the appeals from one or two of their own people, they refused, baton charges were launched. These charges, which were met by fusillades of stones, had little effect, and finally the officer in charge fired one round from his revolver, wounding one rioter. The mob at once dispersed.

Meantime, elsewhere in the town, isolated cases of the murder of Jews—one of whom was stabbed to death near Town Square and another beaten to death in the Manshīyah Quarter—had followed in quick succession; and near Morum's Corner two private cars had been violently attacked by the mob. The first car extricated itself by its own power; but the occupant of the second (whom the crowd imagined to be a Jew but whose identity has never been discovered) was saved from certain death by the action of a senior police officer who, seeing two Arabs in succession about to murder the man, ordered a British

constable to shoot. Both Arabs were killed. The immediate effect of these shots was to disperse the crowd. They undoubtedly also affected the crowd in the Manshīyah Quarter, which also dispersed.

By 2 p.m. the situation was in hand, and the police and the military reinforcements, which had arrived during the morning, were in control.

Rioting, however, began again on the following day, and thenceforward disorder was continuous until the second week in October. While it is clear that at the outset feeling ran as high (though action was less violent) in Tel Aviv as in Jaffa, it was the Arabs who prolonged these incidents into six months of lawlessness. Despite repeated attacks on their lives and property, the Jews demonstrated their national solidarity by their restraint and discipline as effectively as did the Arabs by the unanimity of their protest against the mandatory régime. The Jewish agency obtained authority for the enrolment and arming of a number of supernumerary policemen as an additional protection for the Jewish settlements, but there were no reprisals.[1] It must be remembered, however, that in the operation of the Mandate the Jews were the 'haves', the Arabs the 'have-nots'; the National Home was a reality, self-governing institutions as much a dream as ever. The contest was between a nationalism which was being satisfied, under powerful protection, and a nationalism in process of frustration.[2]

The origin of the rumours which excited the populace of Jaffa on the 19th April was mysterious, but there was no evidence that the riots were organized from above.[3] There were attempts, such as rebellions normally provoke, to trace the influence of foreign agents or political agitators, but the situation of the two peoples in Palestine and the events of the past few months were in themselves an adequate explanation of the outbreak. The movement was maintained, furthermore, by pressure on the leaders from below. On the 20th April a National Committee was formed at Nāblus, the headquarters of the National Bloc; it put forward the plan of declaring a general strike throughout the country, to last until the demands laid before

[1] There were two incidents in Tel Aviv, one in August and one in October, which looked like reprisals (*The Times*, 18th August and 19th October, 1936), but substantially the statement in the text is accurate.

[2] The Zionists were far from being satisfied with the pace at which the National Home was being established, and the Government were not always powerful enough to protect their lives and property. But they were making progress, and it was the Mandatory Government which stood between them and Arab resistance.

[3] It was asserted in *The New Judaea* of May 1936 that the Mufti was in Jaffa on the 18th. But neither the Government's nor the Royal Commission's Report confirms this.

the Mandatory Government by the five parties should be conceded. During the next two days the example of Nāblus was followed in many Arab towns; National Committees were set up, and the strike spread rapidly. By the 22nd April only Haifa was unaffected by it. It was not until the main lines of Arab policy had already been dictated by this apparently spontaneous action of the rank and file that the leaders took control. They met on the 25th April, and decided to establish a Supreme Arab Committee (subsequently called the Arab Higher Committee) to co-ordinate the local strikes and assume the direction of policy. Thus the movement towards the consolidation of forces, already evident during the winter, reached its goal; the Committee consisted of the Mufti, the leaders of all the parties, this time including Istiqlāl, two Arab Christians to emphasize the national character of the movement, and the manager of the Arab Bank. It was not elected by the local committees, but it took few important steps without their approval.

The party leaders, thus reinforced, repeated their earlier demands in a letter to the High Commissioner,[1] and resolved to continue the strike until the British Government should have shown their willingness to consider them by suspending Jewish immigration. This condition was also attached, a few days later, to the appointment of the deputation which had been invited to London.[2] Early in May the Arab Car-Owners' and Drivers' Committee issued a manifesto advocating the refusal to pay taxes as a further means of civil disobedience, and this proposal was adopted by the Congress of the National Committees held in Jerusalem on the 8th. Again the Higher Committee took its orders from below. Replying to a memorandum from the High Commissioner it explained that, while not responsible for the movement in favour of civil disobedience, it could not attempt to check it unless the suspension of Jewish immigration could be offered in exchange.[3] Thus the further discussion of the Legislative Council, the renewed payment of taxes and the termination of the strike were all made dependent on this single concession. On the 18th May it was refused, and an announcement of the Jewish Labour Schedule for the next six months appeared in *The Palestine Official Gazette*.

Meanwhile disorder was spreading and becoming almost incessant.

[1] The demand for constitutional reform had become rather more drastic; the 'democratic Government' asked for in November was replaced by 'a National Government responsible to a representative council'.

[2] See p. 726, above.

[3] On the 15th May the Higher Committee itself adopted this weapon, issuing a manifesto which called on the Arabs to refrain from paying taxes 'in accordance with the principle of no taxation without representation'.

It took the form partly of destructive and murderous attacks on the Jewish rural settlements, partly of attempts to dislocate communications and harrass the police and military. There was also a good deal of sporadic shooting and bomb-throwing in towns. Speaking in the House of Commons on the 19th June, the Colonial Secretary said that the daily average of attacks by snipers and gunmen was then 10–15; of attempts to sabotage communications 8; of attacks on the telephone and telegraph systems 5–10; and of bomb-throwing 5–10. The Jewish Agency estimated the number of Jews murdered during the disturbances at 82, and the total cost of the damage to Jewish property at £250,000.[1] Night after night, round the Jewish villages, crops were destroyed and trees uprooted, hewn down or set on fire; 200,000 fruit and forest trees, most of them planted in the last fifteen years, were destroyed in six months.[2] Many Jews lost their lives during these raids, and there were attacks of a still more outrageous kind, as when a bomb was thrown into the playground of a Jewish school,[3] or two Jewish nurses shot in a Jaffa street.[4] The Arab Higher Committee expressed its disapproval of such incidents as these, and the Arabic press condemned them,[5] but it was evident that no effective control was exercised from Jerusalem. The Higher Committee refused to accept responsibility for the terrorist methods of its supporters, arguing that until the Government changed their policy such outbursts of feeling, though regrettable, would be inevitable. That it was not in a position to prevent them is probably true, and it is perhaps unfair to point out that the strike, by enforcing idleness in a period of tension, created ideal conditions for a campaign of violence. The fact remains that the Committee did not at any time issue a general condemnation of the attacks made by Arabs on Jews.

A distinction must be drawn between the outrages inspired by anti-Jewish feeling and the attacks, often similar in character but widely different in motive and significance, on the British authorities. The Arabs were rebelling against the mandatory régime, and rebellions are seldom altogether peaceful. While the official leaders maintained the strike,[6] an unofficial and amorphous leadership was organizing the cutting of telephone wires, sniping on military patrols

[1] Letter from Dr. Weizmann, sent to the High Commissioner with the *Jewish Agency Memorandum, 1936*, paragraph 2.
[2] *Jewish Agency Memorandum, 1936*, p. 54.
[3] *The Times*, 24th July, 1936.
[4] *Ibid.*, 18th August, 1936.
[5] *Ibid.*, 19th August, 1936.
[6] The members of the Arab Higher Committee, including the Mufti, made a tour of Palestine at an early stage of the disturbances, and were not interfered with by the authorities.

and the sabotage of communications. Mines were laid under roads, bridges and railway tracks, until the night services on the railways had to be suspended and traffic forbidden on certain roads except under convoy. In July the armed bands discovered another vulnerable objective in the oil pipe-line from 'Irāq, which was pierced seven times during that month.

That the insurrection lasted for six months was due in part to the reluctance of the Government to adopt measures which would add to the bitterness of feeling in the country and make a subsequent reconciliation more difficult. This policy led to repeated complaints of inadequate protection from the Jews, but the most determined measures of repression would not have been easy to apply. The serious damage was done by loosely organized bands, consisting of young men from the villages in the hills and a few groups of sympathizers and adventurers from Syria and 'Irāq. Most of their raids were carried out by night, in country which they knew intimately, and which was very refractory to organized military operations. Attempts to surround and disarm them by day were futile, since they had innumerable hiding-places for the weapons which alone distinguished them from the peaceful cultivators. Information could not be obtained from a population which sympathized with the rebels, and in the hills even the police were mainly Arab.

The position of these Arab constables was embarrassing; they continued, despite the strain on their loyalty, to carry out their orders, but it is not surprising that they showed less initiative than usual in the detection and pursuit of criminals. Only one Arab was sentenced for the murder of a Jew during the disturbances.[1] A sterner repression might have led to the disintegration, not only of the police force, but of the entire civil service. The municipal councillors of Arab towns joined the strike in June, and on the 30th of that month the High Commissioner received a memorandum, signed or subsequently endorsed by all the senior Arab officials (except in the police) and all the Arab judges, in which the Arabs' loss of faith in the British Government's pledges was declared to be 'substantially justified'; the signatories protested against the Government's policy of repression and recommended acceptance of the demand for a stoppage of immigration.[2]

Military reinforcements began to arrive from Egypt in May, but they were used almost entirely for defensive purposes, such as the patrolling of railways and the protection of convoys on the roads.

[1] Letter accompanying the *Jewish Agency Memorandum, 1936*, paragraph 3.
[2] *Cmd.* 5479 of 1937, Appendix 2.

In June the Government began to act more drastically; several of the Arab leaders, including the Secretary of the Higher Committee, 'Awnī Bey 'Abdu'l-Hādī, were interned in a concentration camp, and additional regulations were issued under the Palestine (Defence) Order in Council, enabling the Government to levy collective fines on villages in or near which criminal offences had been committed, and to demolish houses from which firearms had been discharged. The courts were also empowered to inflict the death penalty for shooting at troops or police, bomb-throwing and dynamiting.

In London the first effect of the disturbances was to kill the already moribund project for a Legislative Council. Mr. J. H. Thomas announced in the House of Commons on the 19th May that

> His Majesty's Government have decided that the suggested Arab deputation to London would no longer meet the conditions which have arisen, and that instead it is desirable that an inquiry on the spot should be undertaken. They have therefore decided, after order is restored, to appoint a Royal Commission which, without bringing into question the terms of the Mandate, will investigate causes of unrest and alleged grievances of either Arabs or Jews.[1]

On the 9th June Mr. Ormsby-Gore, who had in the meantime succeeded to the Colonial Office, repeated the statement that the Commission would not be appointed, nor its terms of reference announced, until order had been restored. On the 29th July, however, the following announcement was made:[2]

> His Majesty has been pleased to approve the appointment of the following to serve on the Palestine Royal Commission:
>
> The Right Honourable The Earl Peel, G.C.S.I., G.B.E.
>
> The Right Honourable Sir Horace Rumbold, Baronet, G.C.B., G.C.M.G., M.V.O.
>
> Sir Laurie Hammond, K.C.S.I., C.B.E.
>
> Sir Morris Carter, C.B.E.
>
> Sir Harold Morris, M.B.E., K.C.
>
> Professor Reginald Coupland, C.I.E.
>
> . . . The terms of reference of the Royal Commission will be:
>
> To ascertain the underlying causes of the disturbances which broke out in Palestine in the middle of April; to enquire into the manner in which the Mandate for Palestine is being implemented in relation to the obligations of the Mandatory towards the Arabs and the Jews respectively; and to ascertain whether, upon a proper construction of the terms of the Mandate, either the Arabs or the Jews have any legitimate grievances on account of the way in which the Mandate has been, or is being, implemented; and if the Commission is satisfied that any such

[1] *The Times*, 19th May, 1936.

[2] Although this official announcement was made on the 29th July, the Royal Warrant appointing the Commission was dated the 7th August, 1936.

grievances are well founded, to make recommendations for their removal and for the prevention of their recurrence.

. . . It is not proposed that the Commission should begin its work in Palestine until order is restored there.

Meanwhile, on the 19th June, the House of Commons had discussed the problem. The debate did not confine itself to the internal affairs of Palestine; it turned largely on the relationship of the National Home to anti-Semitic movements in Central and Eastern Europe, and on questions of imperial strategy. The relevance of Palestine to the Empire was lucidly expounded by Mr. Amery.

Palestine [he said] occupies a strategic position of immense importance. It is the Clapham Junction of all the air routes between this country, Africa and Asia. It occupies an immensely important naval position in the new conditions in the Mediterranean. Cyprus, Palestine and Egypt effectively held would make it possible not only to keep open the Suez Canal, but to hold the whole of the Eastern Mediterranean. While it is true that we are not allowed under the Mandate to maintain a naval base in Palestine, yet Haifa, developed as one of the greatest ports and industrial centres in the Mediterranean and a great source of oil supplies which might not be available to us from elsewhere in time of war, would be an asset of immense consequence. There is also the possibility of railway communication between Haifa and 'Aqabah giving us an alternative route to the Suez Canal.[1]

In this and other speeches, notably that of Mr. Lloyd George, there was a tendency to equate the security of these interests with the success of Zionism in Palestine. This connexion was emphasized in several contemporary publications, from both the Jewish and the Imperial points of view;[2] on both sides the possibility was envisaged of the Mandate being terminated by the absorption of a predominantly Jewish Palestine into the British Empire.

One speaker,[3] in so far as he considered the problem on the plane of self-interest, took the opposite view that Imperial strategy demanded the friendship of the Arab states, and that a Zionist policy in Palestine was threatening to deprive Great Britain of the position which her adoption of the Arab cause in 1915 had given her. Arab propaganda urged, against the contention that the Jews were a necessary factor in Imperial defence, that British interests were safer in 'Irāq and Egypt since those countries had become indepen-

[1] *Hansard*, vol. 313, col. 1351.

[2] See Lord Melchett: *Thy Neighbour* (London, 1936, Frederick Muller), and, for a more orthodox Zionist opinion, an article by Mr. H. Sacher in *The New Judaea* for July 1936. A typical statement of the imperialist argument for the National Home is to be found in *British Imperial Interests in Palestine*, by Herbert Sidebotham (London, 1936, British Palestine Committee).

[3] Colonel Clifton Brown.

dent than they had been before, and that it would be to the advantage of an independent Palestine to give and honour similar guarantees.

That the Palestinian problem must be considered in relation not only to the position of the Jews in Europe, but also to the reactions of neighbouring peoples, and even to Muslim opinion in India, became clearer as the rebellion continued. The contacts established between the Arab Higher Committee and the Arab rulers of the Middle East could not be disregarded in the framing of British policy.

> If [said the members of the Royal Commission afterwards] we were to pick out the feature of the late 'disturbances' which on a general view seems to us the most striking and far-reaching, it would be the manner in which they roused the feeling of the Arab world at large against Zionism and its defenders.

The ruler who watched events in Palestine with the most anxious eye was naturally the Amīr 'Abdu'llāh of Transjordan. He made strenuous efforts to prevent unrest from spreading across the frontier, and in this, apart from two or three attacks on the oil pipe-line and a few reprisals against the property of persons who had bought goods from Jews in Palestine, he was successful. His attempts to dissuade the Palestinian leaders from tolerating terrorist methods were less satisfactory. On the 6th June he held a conference at 'Ammān with the Mufti and four other members of the Higher Arab Committee, who explained to him that they could not bring the disorders to an end unless they could present their followers with the suspension of Jewish immigration as a token of victory. A second meeting, two months later, was equally fruitless.

An intervention from 'Irāq, later in August, began more hopefully. Nūrī Pasha As-Sa'īd, the Foreign Minister of 'Irāq, arrived in Jerusalem on the 20th, staying first in Government House as the High Commissioner's guest, and then in the King David Hotel, where he held conferences with the Arab leaders. The latter were evidently under the impression that the terms which he laid before them as a basis for negotiations with the Government had been worked out in his previous conversations with Sir Arthur Wauchope, and that his intervention was in fact a semi-official effort at mediation. His suggestion was that the strike and the disorders should be brought to an end unconditionally, but on the implied understanding that the Government would respond by suspending Jewish immigration until the Royal Commission should have issued its report.[1] The discussion of this proposal revealed a latent divergence of opinion within the nationalist movement; Dr. Khālidī and Rāghib Bey An-Nashāshībī,

[1] Report in *The Times*, 31st August, 1936.

who had wanted to call off the strike as soon as the unanimity of Arab feeling was sufficiently demonstrated, and who doubted the efficacy of violence, welcomed this prospect of peace. They saw, furthermore, in Nūrī Pasha's mission, a step towards that pan-Arabic federation which was the ultimate goal of many Arab nationalists. The organ of the National Defence Party, *Filastīn*, like the Istiqlālist *Al-Difā'ah*, laid particular stress on this aspect of the discussions. The Mufti, on the other hand, was less enthusiastic. He paid more attention to the reactions of the rank and file, and the National Committees of Janīn, Tulkarm, Baysān and other towns sent telegrams to the Higher Committee, urging it to refuse any concessions. Nevertheless the Committee did not allow these differences of opinion to impair its effective unity, and it was able, on the 30th August, to give its unanimous authority to the following manifesto.

> Negotiations between the Supreme Arab Committee and His Excellency, Nūrī Pasha As-Sa'īd, Foreign Minister of 'Irāq, were continued for some days, in the course of which all the points which relate to the Palestine Arab case were discussed in an atmosphere of confidence and frankness. These discussions resulted in a complete understanding and in consenting with all satisfaction and trust to the mediation of the Government of 'Irāq and of their Majesties and Highnesses the Arab Kings and Princes.
>
> In consequence, His Excellency the Minister of 'Irāq will conduct the necessary official correspondence in this respect, while the Supreme Arab Committee will submit the matter to the nation through a General Congress of the National Committees, for consultation and confirmation. The nation will continue its general strike with the same steadfastness and conviction which it has shown, and with an unblemished dignity, full of confidence, patience and sobriety, and until such time as these negotiations attain the desired result which will safeguard for this brave nation its existence, secure for it its rights and the realization of its aspirations.

The history of Nūrī Pasha's mediation, already obscure, passes into total darkness at this point. On the 1st September *The Palestine Post*, a Jewish newspaper, published a list of concessions which the High Commissioner was alleged to have offered, through Nūrī Pasha, in return for the ending of the strike. Dr. Weizmann sent this report to the Secretary of State, with a request for information, and Mr. Ormsby-Gore, in his reply, denied that either the British Government or the High Commissioner had authorized Nūrī Pasha to make promises of any kind to the Arabs; and added that Nūrī Pasha had not been given any assurances regarding his position as a mediator in the affairs of Palestine.[1] Four days later, on the 7th September,

[1] Text in *The Times*, 4th September, 1936.

the British Government issued a statement of policy[1] in the course of which they announced that the discussions between Nūrī Pasha and the Arab Higher Committee had led to no satisfactory result, 'for the Palestine Arab leaders issued on the 31st August a manifesto declaring that they would continue the strike until their aims had been attained.' This interpretation of their manifesto was indignantly denied by the members of the Higher Committee. Its clear meaning, they said, was that the strike was only to continue until the principle of mediation had been accepted by the British Government, and its wording, though ambiguous, seems capable of supporting their contention. But although the Mandatory Government no doubt welcomed Nūrī Pasha's attempt at conciliation, they could hardly go so far as to accept the mediation of a foreign Power in an internal dispute. They had refused to bargain for the ending of the strike, and that refusal was upheld.

Since, therefore, the 'Irāqī Foreign Minister had not persuaded the Arab Higher Committee to surrender unconditionally, the British Government decided to take stronger measures. This was the more necessary as the armed bands in the hills were increasing in numbers, cohesion and tactical skill. They had found a leader in Fawzī-u'd-Dīn al-Kāwakjī, a Syrian who had served with distinction in the Turkish Army during the General War, and had since had a varied career as intelligence officer under the French command in Syria, Military Adviser to King 'Abdu'l-'Azīz Ibn Sa'ūd, and officer of the 'Irāqī Army. He now assumed the title of 'Commander-in-Chief of the rebels in Southern Syria', drilled the bands in the tactics of guerrilla warfare, fought two or three minor battles with British troops, and issued *communiqués*.

It was shortly after his arrival in Palestine, and after Nūrī Pasha's departure, that the Mandatory Power, on the 7th September, issued an explanation of its previous policy and its reasons for the more ruthless measures that it now proposed.

> In spite . . . of the greatest forbearance exercised by the British authorities, with the full approval of His Majesty's Government, whose chief concern has been to restore peace between the different communities in Palestine by measures which would entail the smallest possible amount of suffering and loss of life, the political strike has continued, accompanied by outrages and guerrilla warfare. . . . More rapid and effective action must now be taken in order to bring the present disorder to an end with the least possible delay. With this end in view it has been considered essential to send further substantial reinforcements to Palestine. An additional division of troops is accordingly being sent

[1] Text in *The Times*, 8th September, 1936.

> there. . . . It has been the constant aim of British policy to secure and maintain relations of friendship and confidence with the Muslim peoples. For this reason, apart from all others, they would have wished to avoid by all possible means the course of action which has now been forced upon them. But no Government, least of all a Government exercising mandatory responsibilities, can allow themselves to be deflected from their course by violence and outrages.

The increase in the British garrison from under 10,000 to about 20,000 troops, and the arrival of Lieutenant-General J. G. Dill to assume the supreme command, foreshadowed the introduction of martial law,[1] and placed the Arab leaders in a difficult position. The guerrilla warfare, continued against an enemy now able to take the offensive, would cost many lives and could only have one end. At the same time the strike, which had involved considerable financial sacrifices for the Arab shopkeepers, owners of transport services and their employees, dock labourers and peasant proprietors, was becoming increasingly difficult to maintain. The approach of the orange season brought larger interests, both of capital and labour, into operation against its continuance. On the other hand the threat of terrorism hung over any one who publicly advised a retreat.[2] And it was felt that the condition of calling off the strike, which had gradually been reduced from the fulfilment of the original Arab programme to the temporary suspension of immigration and then to the acceptance of mediation, could not be whittled away altogether on the sole authority of the Higher Committee.

The leaders therefore summoned a Congress of National Committees for the 17th September, but the Government prohibited its meeting, and the local committees, deliberating separately and each unwilling to take the initiative of surrender, declared in favour of proceeding with the strike. The Higher Committee, having failed to obtain moral support from below for the step that it now regarded as inevitable, turned once more to the rulers of the neighbouring Arab states. Representatives of King ʿAbdu'l-ʿAzīz Ibn Saʿūd and the Amīr

[1] The Palestine Martial Law (Defence) Order in Council was published on the 29th September. It enabled the High Commissioner to delegate the power of making regulations for the public safety to the General Officer Commanding the Forces in Palestine. These regulations would not be subject to challenge in the courts, and military tribunals would be established, from whose decisions there would be no appeal. The Order, however, was never put into force.

[2] In August the Muslim Mayor of Hebron had been shot by an undiscovered assailant, shortly after he had expressed his disapproval of terrorism. And in September an Arab shot a prominent and moderate member of the Local Committee at Haifa. A number of wealthy, elderly and therefore moderate Arabs were doubtless kept quiet by the fear of a similar fate. But they were a small minority.

'Abdu'llāh came to Jerusalem, and finally a formula was adopted by which, although in effect the strike would be unconditionally terminated, something of the principle of pan-Arab mediation would be salvaged. On the 11th October the Committee published the text of letters which they had received, in identical terms, from King 'Abdu'l-'Azīz, King Ghāzi of 'Irāq, and the Amīr 'Abdu'llāh:[1]

> Through the President of the Higher Arab Committee to our sons the Arabs of Palestine:
>
> We have been deeply pained by the present state of affairs in Palestine. For this reason we have agreed with our Brothers the Kings and the Amīr to call upon you to resolve for peace in order to save further shedding of blood. In doing this, we rely on the good intentions of our friend Great Britain, who has declared that she will do justice. You must be confident that we will continue our efforts to assist you.

The Higher Committee simultaneously announced that it had obtained the unanimous consent of the National Committees for the acceptance of this advice. It therefore called on the people to put an end to the strike and the disorders as from the 12th October. On that morning they were to assemble in their mosques and churches, to hold services in memory of the martyrs and to thank God for the patience and fortitude with which he had endowed them. They would then resume their usual occupations. On the 13th Fawzī-u'd-Din al-Kāwakjī issued a manifesto calling on his followers to disperse,[2] and towards the end of the month he slipped across the frontier. The country, on the eve of its busiest period, quickly calmed down, though sporadic outrages continued into the following spring.

The issue of the half-yearly Jewish Labour Schedule on the 5th November emphasized the failure of the rising to achieve its immediate object. It had, however, served the Arab cause in two ways. The British Parliament and people had been awakened to the reality and unanimity of Arab hostility to the Mandate. And as an episode in the Arab *risorgimento* the events of 1936 had attracted attention and sympathy throughout the Middle East; 'The Palestine Arabs', said a writer in *Al Difā'ah*, 'are recognized as part of the Arab federation and therefore they are no longer alone.'[3]

There remain to be assessed the losses in life, property and goodwill caused by the outbreak. Official figures of the casualties between

[1] Negotiations had also been in progress with the Imām of the Yaman, and there was a report that he had signed a similar letter; but no communication from him had apparently reached the Arab Higher Committee by the 11th October.

[2] *The Daily Telegraph*, 14th October, 1936.

[3] Quoted in *The Manchester Guardian*, 13th October, 1936.

the 19th April and the 15th October, 1936, gave 37 members of the various defence forces killed and 206 wounded; the Jewish Agency stated that 82 Jews were killed and 369 wounded. For the Arabs accurate figures were unobtainable, but their dead probably numbered not less than a thousand. Apart from the destruction of Jewish property already mentioned the country suffered from the interruption of business and the cessation of its valuable tourist traffic. The Exchequer suffered both from a declining revenue and from rising expenditure on public security. Revenue fell from £P.5,770,000 in 1935–6 to £P.4,620,000 in 1936–7, while expenditure rose from £P.4,236,000 to approximately £P.6,000,000; an accumulated surplus of over six million pounds was reduced to less than five. A discouraging symptom for the future was the mutual economic boycott which developed between the two communities after the restoration of order.

The consequences of the outbreak were not confined either to Palestine itself or to the Arabic-speaking world and international Jewry. There were wider repercussions. British action in Palestine was severely criticized in the Muslim press of India, and in many large towns the Muslims celebrated the 19th June as Palestine Day. On the 28th September the Viceroy received a deputation which expressed the concern of Muslim India at the course of events in Palestine, and a pan-Indian Congress for Palestine was held at Delhi early in November. Resolutions were passed by two hundred and fifty delegates from all parts of India, calling on those Muslim countries which were represented at Geneva to agitate for the revocation of the Mandate. At the meeting of the League Assembly in October the delegates of Turkey and ʿIrāq had expressed their interest in the position of the Palestinian Arabs, but at the same meeting the Polish representative had taken up a similar attitude on the other side. The economic distress of Poland's 3,000,000 Jews, and their exposure to a rising tide of anti-Semitic feeling, had created awkward problems for the Polish Government, and Polish requests were made in London for the maintenance of a high rate of immigration into Palestine. Finally, the influential Jewish community in the United States of America kept an attentive eye on the administration of the Mandate.

The Report of the Royal Commission, therefore, was presented to and received by the British Government in the knowledge that its recommendations and any action taken upon them would have repercussions in many fields of foreign and Imperial policy. In no other territory was a mandatory or colonial administration subject to such world-wide criticism as in Palestine.

(*d*) The Report of the Royal Commission

Lord Peel and his colleagues reached Jerusalem on the 11th November, and returned to London on the 30th January, 1937. Their Report was signed, unanimously, on the 22nd June and issued to the public on the 7th July. It is impossible here to do more than discuss the salient points of this document. Its exhaustive and masterly survey of the history and operation of the Mandate has already been drawn upon so far as was necessary for this study. But its recommendations for the future cannot be usefully examined without a further glance at its diagnosis of the crisis of 1936.

The events of recent years had shown with increasing clarity that the crucial issue in Palestine was contained in the question: Who, ultimately, was going to rule the country? The Mandate was a temporary instrument, containing provisions for its own termination. It had been drafted in the hope that the British trustee would eventually hand over the Government to a body representative of the whole population. The Commissioners were convinced that this hope was illusory.

> An irrepressible conflict has arisen between two national communities within the narrow bounds of one small country. About 1,000,000 Arabs are in strife, open or latent, with some 400,000 Jews. There is no common ground between them. The Arab community is predominantly Asiatic in character, the Jewish community predominantly European. They differ in religion and in language. Their cultural and social life, their ways of thought and conduct, are as incompatible as their national aspirations. These last are the greatest bar to peace. . . . In these circumstances to maintain that Palestinian citizenship has any moral meaning is a mischievous pretence. Neither Arab nor Jew has any sense of service to a single State.[1]

The anticipated concession of independence to Palestine would therefore involve, according to the date at which it was granted, an unwilling submission either of Jews to an Arab Government or of Arabs to a Jewish Government. Neither of these solutions could, if its consequences were considered, be regarded as compatible with the Mandate. If the Arab demand for independence in the near future were granted, the development of the National Home would be brought to an abrupt end; and the subjection of the existing Jewish population, with its wealth and enterprise, to a relatively backward Arab majority, would be an anomaly. To withhold independence, on the other hand, until after the Jews had established a majority would be to subject the country, in the words of the Report, to 'a sort of creeping conquest'. The process would almost certainly

[1] *Cmd.* 5479 of 1937, pp. 370–1.

provoke a further series of Arab risings, and could only be carried to completion by the periodic use of force. But the Preamble of the Mandate for Palestine stated that its purpose was to implement not only the Balfour Declaration but also Article 22 of the Covenant of the League of Nations, by which the 'well-being and development' of the non-European peoples formerly subject to Germany or Turkey had been declared to be 'a sacred trust of civilization'. The well-being and development of the Palestinian Arabs could not be furthered by shooting them down until they acquiesced in Jewish rule.

The Mandate itself provided no way out of this dilemma. Its dependence on Article 22 of the Covenant, and its provision for the development of self-governing institutions, showed that it had been drafted on the assumption that the Arabs would not display any lasting or irremediable antagonism to the creation of the Jewish National Home. That essential presupposition had proved to have been fallacious, and as the Commissioners observed:

> It must have been obvious from the outset that a very awkward situation would arise if that basic assumption should prove false. It would evidently make the operation of the Mandate at every point more difficult, and it would greatly complicate the question of its termination. To foster Jewish immigration in the hope that it might ultimately lead to the creation of a Jewish majority and the establishment of a Jewish State with the consent or at least the acquiescence of the Arabs was one thing. It was quite another thing to contemplate, however remotely, the forcible conversion of Palestine into a Jewish State against the will of the Arabs. For that would clearly violate the spirit and intention of the Mandate System. It would mean that national self-determination had been withheld when the Arabs were a majority in Palestine and only conceded when the Jews were a majority. It would mean that the Arabs had been denied the opportunity of standing by themselves: that they had, in fact, after an interval of conflict, been bartered about from Turkish sovereignty to Jewish sovereignty. It is true that in the light of history Jewish rule over Palestine could not be regarded as foreign rule in the same sense as Turkish; but the international recognition of the right of the Jews to return to their old homeland did not involve the recognition of the right of the Jews to govern the Arabs in it against their will.[1]

The British Government had undertaken, as a Mandatory under the League, to create the necessary conditions in Palestine for the establishment of a Jewish National Home, to ensure the 'well-being and

[1] *Cmd.* 5479 of 1937, pp. 41–2. See, for the difficulty of administering the Mandate, a speech by Sir John Chancellor to the Royal Central Asian Society, quoted in *The Times*, 15th July, 1937: 'As High Commissioner, in trying to do justice to both parties I used to feel what I have felt in no other position that I have occupied under the Crown—namely, that my every act and every decision was based upon an equivocal moral foundation.'

development' of the Arab population, and to promote self-government. It is arguable that the first two of these obligations were not irreconcilable, but the Arab reaction to the National Home had made the fulfilment of the third impossible, so that the Mandate appeared to be, in its existing form, interminable. Great Britain could not at any time withdraw without violating her undertakings on behalf of either the Arabs or the Jews. On the other hand, to remain indefinitely in Palestine would also be to disregard the evident intention of the League of Nations in conferring the Mandate, and thus equally to violate it.

Finding no guidance in the letter of the Mandate, the Report was essentially an application of its spirit to the altered circumstances of 1937. It had become evident that neither the aspirations of the Jewish people nor those of the Palestinian Arabs could be satisfied, within the boundaries of a single state, without sacrificing those of the other party. The belief that they would agree to share Palestine had been unfounded; the next best thing was to divide it. 'While neither race can justly rule all Palestine, we see no reason why, if it were practicable, each race should not rule part of it.'[1]

The Commissioners pointed out that if this policy were adopted the Arabs would obtain, within a restricted area, the national independence which was their objective, and freedom from the menace of Jewish domination. At the same time Zionism would attain the goal set before it in 1896 by Theodor Herzl's pamphlet, *The Jewish State*; the Jewish people would acquire, in the historic *Eretz Israel*, a country which, however small, would be under their absolute control. They could determine their own rate of immigration, foster the growth of their own industries, carry out their own land policy, and take their seat in the Assembly of the League of Nations. The Jews to whom these arguments naturally made the strongest appeal were those of Eastern Europe, for an independent state would mean faster immigration in the immediate future. A further advantage which might reasonably be anticipated was that a partition, by releasing each people from its fear of the other, would prepare the way for a larger measure of economic co-operation than the state of political feeling had hitherto permitted. The next few years might see, instead of an increasing hatred and a renewal of bloodshed, the beginnings of an economic partnership between the Jewish state and its Arab hinterland. If, indeed, the friction in Palestine could be brought to an end there would be little to prevent the penetration of the entire Middle East by Jewish enterprise, to the mutual advantage of the two peoples. What the National Home lost in territory might

[1] *Cmd.* 5479 of 1937, p. 375.

be more than recovered in terms of economic opportunity; and the renunciation by the Arab peoples of an area about the size of Lancashire might be rewarded by an immense accession of economic strength. Finally, the Report drew attention to the gradual alienation from Great Britain, by recent events in Palestine, of two great communities who had traditionally been her friends. Partition would go far to remove the grievances of both, or at least to prevent their further exasperation in the future.

The Commissioners suggested a number of improvements in the administration of the existing Mandate, but they did not believe that these 'palliatives' would cure the disease from which Palestine was suffering. The Mandate had broken down, and the only alternative which they thought capable of preventing a recurrence of the causes of that breakdown was partition.

It was a long way, however, from the acceptance of partition as a principle of action to the drafting of a definite scheme, and the Commissioners, while advocating the principle with all possible emphasis, clearly did not intend that it should stand or fall with their detailed proposals. Nevertheless, they felt that it would be futile to propose partition without demonstrating its practicability by giving a concrete form to the proposal, and the project which they devised was bound to be a basis of the subsequent discussions.

Its starting-point was the existing division between the Jewish settlements in the plains and the Arab population of the hills. But to leave the Jews with nothing more than the irrigable lands that they had already colonized would, apart from its inadequate fulfilment of the obligation to facilitate the building of a National Home, create a somewhat impracticable frontier. The necessary territorial solidity could only be given to the Jewish state by incorporating in it either the almost unbrokenly Arab hill country of Galilee or the undeveloped Negeb in the South. The Report, in choosing the former alternative, observed that this was the part of Palestine in which the Jews had retained an uninterrupted foothold since the time of the Dispersion, and that the fallāhīn of Galilee had 'shown themselves less amenable to political incitement than those of Samaria and Judaea.'[1] The

[1] *Cmd.* 5479 of 1937, p. 384. It is also worth noting that the Arabs of the Gaza sub-district were as numerous as those of the Galilean hills, and that the lands that they cultivated were of the type which had elsewhere been purchased by Jews; if, therefore, the South were given to the Jews the displacement of population would in all probability be a more serious problem. At the same time the undeveloped area round Lake Hūlah was known to be suitable for intensive agriculture, while the possibilities of the Negeb were entirely speculative. It was thus arguable that the Northern alternative offered a

Commission therefore proposed that the Jewish state should consist of Galilee, the Plain of Esdraelon and the Maritime Plain as far as a point about ten miles south of Rehovot. The greater part of Palestine to the south and east of this frontier would be fused with Transjordan into a single Arab state. And in these two areas the Mandate would be replaced by treaties, in accordance with the precedents of 'Irāq and Syria.

It was not, however, suggested that the mandatory system should be abandoned for the entire country. Neither Jew nor Arab would willingly permit the other to control Jerusalem, and the protection of the Holy Places was furthermore a matter of importance for the whole of Christendom. It was therefore proposed that Jerusalem and Bethlehem, together with a corridor to the sea containing the main road and the railway from the capital to Jaffa, should pass under the permanent Mandate of Great Britain. This Mandate would be distinguished from those conferred under Article 22 of the Covenant in that it would not be intended that the inhabitants of the enclave should eventually stand by themselves as an independent community. It would include the smaller enclave of Nazareth, but the town of Jaffa would, except for fiscal purposes, form part of the Arab state. In other places, for reasons of a more secular kind, British control would only gradually be relaxed. Tiberias, Safad, Acre and Haifa, all lying within the frontiers of the Jewish state, had mixed populations, and it was suggested that in these towns mandatory supervision would be desirable for a period. A British enclave was also proposed in the Gulf of 'Aqabah, which controlled a potential alternative to the Suez Canal route and might in the future be of great commercial importance to both Jews and Arabs.

The Report proceeded to discuss the problems to which this complicated political geography would give rise in the spheres of transport and tariff policy. It suggested that the Jewish state should permit the free transit of goods in bond between Haifa and Arab territory, and that parallel privileges should be accorded to Jewish trade on the railway to Egypt and the projected line to 'Aqabah. The same facilities would be granted to the commerce of the mandated area. And it was regarded as essential that the three Governments should reduce the danger of smuggling and the cost of collecting their customs by agreeing to levy identical duties on as many articles as possible.

better prospect of immediate progress to the Jews while involving less disturbance for the Arabs. There was the further advantage that the Lebanon and the projected Jewish state would then have a common frontier.

A more serious problem would be created by the existence of a large minority of about 225,000 Arabs under Jewish government.[1] The Report proposed the transference, which in the last resort was to be compulsory, of the Arab inhabitants of the plains to lands prepared for them across the frontier by schemes of irrigation and development subsidized by Great Britain; it was not anticipated that the Arab cultivators would be compelled to evacuate the hills. The minorities which remained in either state after the necessary transference of populations had taken place would be protected by clauses in the treaties concluded with Great Britain.

The British Government issued, simultaneously with the Report, a statement of policy[2] in which they declared their general agreement with the arguments and conclusions of the Commission. While a detailed scheme was being worked out, and negotiations carried on at Geneva, steps were to be taken to prevent any sales of land which might make partition more difficult, and to impose more severe restrictions on Jewish immigration. A maximum allowance of 8,000 persons, in all categories, was announced for the period between August 1937 and March 1938.[3] The White Paper also contained a threat of the immediate imposition of martial law in the event of further disturbances.

The Report, thus promptly endorsed by the British Government, had still to meet the criticism of Arabs and Jews in Palestine and elsewhere, of the British Parliament, the Permanent Mandates Commission and the Council of the League of Nations. At the moment of writing the Permanent Mandates Commission had just entered upon a special session to consider, together with the last two annual Reports on the administration of the Mandate, the Report of the Royal Commission; and the twentieth Zionist Congress was assembling at Zürich. Pending this meeting Jewish opinion had been cautiously and tentatively expressed. But the critics, without committing themselves to the principle of partition, had objected to many features of the proposed scheme, notably to the exclusion from the Jewish area of some of the most important creations of Zionist enterprise—the potash plant on the Dead Sea, the electric

[1] There would only be 1,250 Jews in Arab territory.

[2] *Cmd.* 5513 of 1937.

[3] The Commission made recommendations for an interim policy to be pursued by the Mandatory Government during the period of transition to the new régime. Besides the restriction of land sales and immigration it proposed the nomination of Arab and Jewish representatives to the Advisory Council, the reform of local government, an increase in the number of government schools, and the opening of negotiations for the amendment of Article 18 of the Mandate.

power station at Jisru'l-Majamī, and the new city of Jerusalem, with its 75,000 Jews. They also claimed the empty spaces of Southern Palestine, on the ground that, while of little value to the Arabs, they could be quickly developed by Jewish capital.

The Arabs too had grievances against the details of the Royal Commission's plan: that they were deprived of direct access to the Mediterranean ports, threatened with the loss of their orange groves, and cut off from their compatriots in Galilee. But Arab opinion on the whole policy of partition crystallized more rapidly than Jewish, and it had already been condemned by both the Arab Higher Committee and the secessionist National Defence Party in Palestine, and by the Prime Minister of 'Irāq outside.

The immediate reception of the Report in Palestine was thus highly unfavourable. Each community compared the proposals with what it hoped ultimately to obtain rather than with the existing situation. There were, however, influences making for a more realistic appreciation of possibilities, and these in turn might produce a more favourable attitude to partition. And it was on the decisions to be taken at Geneva that the future mainly depended. It might be that the next few years would see not only the beginning of a new experiment in Palestine but also the restoration of good relations between two peoples whom the operation of the unlucky Mandate had brought to the verge of war.

(iii) The Signature of the Franco-Syrian Treaty of the 9th September, 1936, and the Franco-Lebanese Treaty of the 13th November, 1936.

The conclusion of treaties of alliance between France and the two Arab states under French Mandate in the Levant, in the autumn of 1936, was an event of an importance which transcended the narrow bounds of the Lebanon and Syria; for it left the adjoining territory of Palestine in the unique position of being the only ex-Ottoman Arab country east of Cyrenaica which had not by this time either reached, or come within sight of, that goal of sovereign independence[1] which was the common aim of every one of these Arabic-speaking

[1] Even within the mandated territory of Palestine, Transjordan was already organized as an embryonic Arab state which was manifestly on the road towards full self-government, though there was still much ground to be traversed beyond the stage represented by the Anglo-Transjordanian agreement of the 20th February, 1928 (see the *Survey for 1928*, pp. 321–8), which, together with the supplementary agreement of the 2nd June, 1934 (text published in *Cmd.* 4661 of 1934), was still in force at the time of writing in December 1936.

communities. The Lebanon and Syria were now taking their places in a company of independent Arab states in which Egypt[1] and 'Irāq[2] and the Yaman[3] and Sa'ūdī Arabia[4] were already enrolled. This progressive political emancipation of the Arab territories that had formerly been either dominions or dependencies of the Ottoman Empire was accompanied by a progressive *rapprochement* between them. In the year under review, this growing sense of Arab solidarity was given a striking expression in the concerted intervention of three Arab Governments in the conflict between the Palestinian Arab community and the Mandatory Power in Palestine.[5] The same tendency towards interdependence between the different parts of the Arab World was illustrated in the territories under French Mandate in the drafting of the two treaties under consideration in the present chapter. The abortive Franco-Syrian treaty of 1933[6] had been the offspring of the conclusion of an Anglo-'Irāqī treaty in 1930,[7] and of the admission of 'Irāq to membership of the League of Nations in 1932;[8] and the successfully concluded Franco-Syrian and Franco-Lebanese treaties of 1936 were manifestly affected in their drafting by the terms of the Anglo-Egyptian treaty of the same year,[9] even if the train of events which had led up to this pair of treaties between France and the two countries under French Mandate in the Levant was separate from that out of which the Anglo-Egyptian treaty arose.[10]

In a previous volume[11] the history of the administration of the French Mandate for Syria and the Lebanon has been carried down to the introduction of a new Lebanese Constitution on the 2nd January, 1934, through the promulgation of four *arrêtés* by the French High Commissioner, and to the suspension of the activities of the Syrian Chamber *sine die* by an *arrêté* of the 2nd November

[1] See section (i) of this part of the present volume.

[2] See the *Survey for 1930*, Part III, section (vi); and the *Survey for 1934*, Part II, section (ii).

[3] See the *Survey for 1925*, vol. i, pp. 320–3; the *Survey for 1928*, Part III B, section (iv); and the *Survey for 1934*, Part II, sections (xi) and (xii).

[4] See the *Survey for 1925*, vol. i, Part III, section (v); and the *Survey for 1928*, Part III B, section (iii).

[5] See the present volume, section (ii) of this part.

[6] See the *Survey for 1934*, Part II, section (vii).

[7] See the *Survey for 1930*, Part III, section (vi).

[8] See the *Survey for 1934*, Part II, section (ii) (*d*).

[9] See pp. 689 *seqq.*, above.

[10] On the question whether the antecedents, as well as the text, of the Franco-Syrian treaty showed traces of Egyptian influence, there was a difference of view among the eyewitnesses of the events in Syria (see p. 750, footnote 3, below).

[11] The *Survey for 1934*, pp. 284–301.

of the same year. In the relations between the two mandated territories and France, the year 1935 covered an interval of outward quiescence corresponding to the longer phase of the same character in which Anglo-Egyptian relations hung from the autumn of 1930 to the autumn of 1935—though not down to the close of the year.[1] In Syria and the Lebanon, as in Egypt, the temporary appearance of calm was deceptive; for the smooth surface overlay agitations in the depths which gathered force unobtrusively until they suddenly discharged themselves with a violence proportionate to the length of time for which they had been pent up. The fresh outbreak of political activity in Egypt in the last months of 1935, which precipitated the Anglo-Egyptian treaty of 1936, was followed in the first months of 1936 by a similar outbreak in Syria, and this in its turn resulted in the conclusion of a Franco-Syrian and a Franco-Lebanese treaty before the end of that calendar year.

These disturbances in Syria, which lasted from the 11th January[2] to the 1st March, 1936, were distinguished by several features previously foreign to Syrian political life.

> In the course of a fifty-days' strike, which manifested itself in ways that are without parallel in the annals of the towns of the interior of Syria, and above all in those of Damascus, the spectator could watch a movement which started from the capital imposing itself, with a certain regard for discipline and organization, upon the country as a whole. The preponderance of the town element declared itself in a striking fashion—in contrast to the experience of the past, when revolts or agitations drew their strength from the tribes, clans, or rural masses. . . . Further, it could be observed that, in this agitation in the towns, the educated element in the rising generation (*la jeunesse instruite*) played a part of prime importance in putting life into the resistance, in organizing processions, and even in imposing discipline upon the protest-movement. . . . Para-military formations were promptly organized, especially at Damascus and at Aleppo; and their enthusiasm and cohesion were so great that they succeeded in supplanting the previous organizations of Arab scouts. . . . In the last place, the authority of the 'Nationalist Bloc', mainly composed of educated people belonging to the bourgeoisie of the larger towns, and recruited to a large extent from men who had been simultaneously converted to French liberal ideas and attracted by the ideas of the Arab renaissance, exercised, from the 1st March, 1936, onwards, an ever-growing influence upon the country as a whole, and above all upon the rural districts.[3]

[1] See section (i) of this part of the present volume.

[2] This was the date of a memorial service, in honour of Ibrāhīm Bey Hanānō, at which there was a remarkable demonstration of nationalist feeling.

[3] R. Montagne (Directeur de l'Institut Français à Damas): 'Le Traité Franco-Syrien', in *Politique Étrangère*, No. 5, October 1936 (Paris, 1936, Centre d'Études de Politique Étrangère), pp. 38–9. For the Fascist complexion

This newfangled Syrian nationalist movement, with its formidable solidarity and its effectively directed driving-force, was not to be brought to heel by half-measures. The movement was stimulated, and not intimidated, by the action of the French authorities on the 18th January, 1936, when they raided the offices of the Nationalist Bloc at Damascus and Aleppo, seized copies of a so-called Syrian National Pact which had been drawn up as far back as November 1935, and deported two of the Damascene leaders. These half-hearted measures of repression merely evoked a strike which was obstinately maintained until it forced the Mandatory Power to parley with the organizers of this political upheaval. Meanwhile, the Syrians paid no attention to an *arrêté*—published on the 22nd January, 1936, a week after the disturbances had broken out—in which the High Commissioner imposed new administrative ordinances on Syria, as he had imposed them on the Lebanon on the 2nd January, 1934.[1] On the other hand, they were encouraged when, in the first week of February, a protest against the measures for the suppression of the disturbances in Syria that were being taken by the French authorities was addressed to the League of Nations by seven 'Irāqī Senators (including two former Prime Ministers). They were still further encouraged by the resignation, on the 23rd February, of Shaykh Tāju'd-Dīn,[2] the Prime Minister of the Syrian state, who was in bad odour with his nationalist-minded fellow countrymen for his pliancy in the hands of the French mandatory authorities. A new ministry was formed by 'Atā Bey al-Ayyūbī, who belonged to the same old-fashioned school as the Shaykh but had not compromised himself so irretrievably in nationalist eyes. The new ministry included two nationalists—neither of whom, however, were leaders of the first rank. On the 25th February the French High Commissioner in the Levant, Monsieur de Martel, addressed to the new Syrian Prime Minister a conciliatory letter in which he declared that the policy of the French Government was 'always inspired by the desire to realize the legitimate aspirations of the Syrian nation' by working out a system which would reconcile 'aspirations towards unity with a respect for the rights which the Constitution secured to the members

that was assumed by Syrian nationalism in 1936, see also *Oriente Moderno*, 1936, pp. 264–5, 324–5, 455–6, and 565. According to Monsieur Montagne, in the article quoted above, it was 'the example of Egypt' that 'gave events in Syria a new turn'. This view was, however, contested by a Syrian authority —who was likewise an eyewitness—in his comments on the present chapter in its first draft.

[1] See the *Survey for 1934*, p. 290.

[2] For Shaykh Tāju'd-Dīn's previous career, see the *Survey for 1925*, vol. i, p. 445; the *Survey for 1930*, pp. 305, 306; the *Survey for 1934*, p. 291.

of minoritarian communities'. In the same letter Monsieur de Martel announced that, in order to facilitate 'Atā Bey's task, he was taking the occasion to give him an assurance that the demonstrators who had not yet appeared before the civil courts would be set at liberty, and that the dossiers of those who had been convicted would be examined individually, in a spirit of large-minded generosity, with an eye to measures of grace. The case of the students and school-children who had incurred sanctions would be treated in the same benevolent spirit; and, as for the persons who had been 'removed', the High Commissioner declared his desire to release them from detention as soon as possible. Thereafter the High Commissioner went into conference at Bayrūt with the members of the new Syrian Cabinet, reinforced by representatives of the Nationalist Bloc; and, after the news had arrived that Monsieur de Martel's letter of the 25th February had been approved in Paris, a provisional settlement was reached on the 1st March. It was agreed that a Syrian delegation should go to France in order to negotiate a new Franco-Syrian treaty. On the same day an amnesty was granted for political offences. The delegation duly set out from Damascus on the 21st March and arrived in Paris on the 27th.

The crucial points in the forthcoming Franco-Syrian negotiations would naturally be those on which the abortive treaty of the 16th November, 1933, had proved unacceptable to Syrian—or, rather, to Syrian nationalist[1]—public opinion, and there had been two principal stumbling-blocks. The first was the extent of the control

[1] The term 'Syrian nationalist' perhaps requires closer definition. In the conflict of views and aims between the Syrian nationalists and the non-nationalist minorities in Syria, it sometimes seemed as though Syrian nationalism went with being a Sunnī as opposed to being a Shī'ī or an 'Alawī or a Druse or a Christian. Yet any purely sectarian or 'communal' analysis of the Syrian nationalism of this date would be misleading; for while it might be true that all Syrian Sunnīs (at any rate, all belonging to the younger generation) were nationalists, it was by no means true that, conversely, all nationalists were Sunnīs. The Syrian Nationalist Bloc also included Christian (and especially Orthodox Christian) adherents who were as whole-hearted in their nationalism as the Coptic members of the Wafd were in Egypt. And among the Sunnī majority of the nationalists in Syria, as in Egypt, the spring of political action was now not religious but secular—though it was not inconceivable that in these and other Arab countries the triumph of a secular political movement among the urban minority of the population might open the way for a subsequent revival of Islamic feeling among the peasantry (see p. 701, above). The state of religious and political feeling in Syria in 1936 was, however, markedly different from the contemporary state of feeling in the Lebanon, as the sequel will show. In the Lebanon in 1936 the Maronites and the Sunnīs, at any rate, were still feeling and acting on the 'communal', pre-nationalistic lines of the old Ottoman *millet* system.

over Syrian affairs which was to be retained by the French even after the treaty had come into force. The second stumbling-block was the inability of the Syrian nationalists and the French to bridge the gulf between their widely divergent views as to what the relations should be between the state of Syria and the two hitherto separately administered governments of Lādiqīyah and Jabalu'd-Durūz. By the 1st March, 1936, the French had become willing to purchase peace with the Syrian national movement by making considerable concessions to Syrian desires on both these points. In regard to the abatement of the French claims to retain control over Syrian affairs it was not so difficult to reach agreement, since the French had only their own interests to consider, while the Anglo-'Irāqī treaty furnished a precedent which both the French and the Syrians could accept. It was much less easy to dispose of the problem of minorities—in which the question of the status of Jabalu'd-Durūz and Lādiqīyah was only one of a number of contentious points—because this was a problem which had been ignored in the Anglo-'Irāqī treaty, with disastrous results for the Assyrian minority in 'Irāq after the treaty had come into force.[1] With this British error before their eyes, the French could not, in decency, throw to the wolves the Syrian minorities for whose welfare they themselves were responsible; and even if the French had been so weary of their ever more thankless task in Syria as to be tempted to default on their obligations towards the non-nationalist minorities for the sake of purchasing peace with the nationalist majority for themselves, they could not have been sure of being able to repudiate their responsibility, in view of the temper which the minorities began to show as soon as it became apparent that a Franco-Syrian settlement was at last in sight.

The swift change which came over Franco-Syrian relations in the course of the week ending the 1st March, 1936, was indeed reflected in the relations between the nationalist Syrians and their non-nationalist compatriots. The dead season preceding the upheaval of January 1936, as well as the period of disturbance from the middle of January

[1] See the *Survey for 1934*, Part II, section (ii) (*b*) (3), and pp. 97, 113 *n.*, 286–8. By the time when the Anglo-'Irāqī treaty came to be negotiated, the relations between the Assyrians and the 'Irāqī nationalists had already become so bad that it may be questioned whether any merely contractual safeguards would have sufficed to prevent the outbreak of the tragic conflict which actually followed. The grant of genuine self-government to 'Irāq, under any conditions, would probably have had the same effect of making life in 'Irāq impossible for the Assyrians. The true analogues in 'Irāq of the Druse and 'Alawī minorities in Syria were not the Assyrians but the Kurds; and the 'Irāqī Kurds did not share the Assyrians' fate. Indeed, some Kurds actually profited by it (see the *Survey for 1934*, p. 164).

to the beginning of March, had seen in Syria and the Lebanon a number of expressions of a tendency towards fraternization between members of different religious denominations which in the Lebanon was something quite new, in contrast to the longer history of the same movement in Syria.[1] On the 28th–31st March, 1935, for example, a Syro-Lebanese economic congress had sat in Damascus and had passed resolutions, directed against the Mandatory Power, which were not confined to purely economic subjects. At Damascus, again, on the 14th April, there had been an exchange of courtesies between a nationalist association called 'the Patriotic Youth' and the Maronite Metropolitan of the city. At the turn of the years 1935 and 1936, one of the overtures to the outbreak in Damascus had been a demonstration of fraternal feeling between the Damascene Muslims and Christians; and on the 23rd January, 1936, the Maronite Patriarch himself had instructed his Patriarchal Vicar at Damascus to convey expressions of his sympathy to some of the local nationalists who had suffered at French hands in the disturbances that had then just broken out in Syria. Even as late as the first week in March there was a Muslim-Christian fraternization at Aleppo, while in the Lebanon at the same moment courtesies were being exchanged between the Christian village of Zahlah and the adjoining Muslim village of al-Mu'allaqah—two communities which had hitherto lived lives as separate as though they had been physically poles apart, instead of lying cheek by jowl with one another as they actually lay.

This last instance of fraternization was particularly striking, because al-Mu'allaqah was one of those Muslim districts that had been forcibly incorporated into the Lebanon by General Gouraud's *arrêté* of the 31st August, 1920;[2] but, perhaps inevitably, the tendency to forgive and forget the ancient communal feuds which, for ages past, had made of Syria a house divided against itself, was checked by a re-emergence of latent territorial controversies as soon as the French showed signs of an intention to come to terms with the Syrian nationalists. On the one hand, the fragments of the Sunnī majority of the Syrian people which had been artificially turned into local minorities by being included within the boundaries of the Lebanon and the Jabalu'd-Durūz and the Government of Lādiqīyah renewed their agitation for reunion with the main body of their co-religionists, from whom they had not been separated by any political barriers under the foregoing Ottoman régime. And on the other hand the non-Sunnī communities who had been raised, by

[1] See p. 752, footnote 1, above.
[2] See the *Survey for 1925*, vol. i, pp. 355–6.

French action, to the rank of local majorities in the Lādiqīyah government and in the Jabalu'd-Durūz, feared that it might now be their fate to be re-converted into minorities by the re-absorption of their latterly autonomous enclaves into the Syrian body politic. Even the Maronites of the Lebanon, who had less reason to fear the complete loss of their territorial autonomy, were afraid of seeing the area reduced from the extent of the Greater Lebanon, which General Gouraud had established in 1920, to the narrower limits which had been assigned to the specially created and privileged Ottoman sanjāq of the Lebanon in 1861.[1] These conflicting anxieties and aspirations made themselves felt again, from March 1936 onwards, while the new Franco-Syrian and Franco-Lebanese treaties were in the course of being negotiated.

Within a few days of the achievement of the understanding of the 1st March, 1936, between the French High Commissioner and the leaders of the Syrian Nationalist Bloc, the Maronite Patriarch had made several public pronouncements demanding the inclusion in the coming Franco-Syrian treaty of special provisions for the protection of the minorities in Syria, and at the same time declaring that the Lebanon had no interest in the Pan-Arab movement and would be content with nothing short of absolute independence. The width of the gulf that still divided the Maronite Christian Lebanese[2] from the Syrian nationalist point of view became still more plainly apparent at a meeting which took place on the 13th March between the Maronite Patriarch and a deputation of members of the Syrian Nationalist Bloc[3] who had come to visit him in his residence at Bakurkī in order to thank him for the sympathy and support which he had given to the Syrian Nationalist Movement during the political struggle with the French which had just terminated in the Syrians' favour. These Damascene Syrian nationalists tactfully expressed their disapproval of the movement among the Sunnīs in the coastal districts of the Greater Lebanon (Sūr and Saydā, Bayrūt, and Tarabulus) to secede from the Lebanese Republic in order to unite themselves politically with their co-religionists of the Syrian Republic. The union of hearts was a thousand times more desirable than political unity, they declared; but at the same time they avowed that their ultimate ambition was a Pan-Arab union in which the Lebanon as well as

[1] See the *Survey for 1925*, vol. i, p. 354.

[2] The Maronites had a political feeling—peculiar to them among the several Christian communities in the Lebanon—which might almost be called a Lebanese national consciousness.

[3] For this meeting see *Oriente Moderno*, April 1936, pp. 191–2, quoting *L'Orient*, 17th and 19th March, 1936.

Syria would eventually enter, of its own free will, into a political association with the other Arab countries. The Patriarch's reply was that

> the union of hearts opens the way to territorial unification, and it is perhaps the destiny of peoples to come closer together when they have the same language, the same interests, and the same feelings. But that day has not yet arrived. Our Syro-Lebanese fraternity was only born yesterday. . . . [And] we remain firmly attached to our independence and to the friendship of France. I have no personal quarrel with the mandatory authorities. When our Syrian and Lebanese aspirations have been achieved under the aegis of the French flag, then I shall come down to Bayrūt to congratulate the representative of France.

Both parts of the Patriarch's pronouncement were noteworthy—the first part because it amounted to an acceptance in principle of the Syrian nationalist deputation's standpoint, and the second part because, as a matter of fact, the Patriarch was not in good relations with the French authorities at the time. The implication seemed to be that both this recent coolness between the Maronite Lebanese and the French and the recent friendliness between the Maronite Lebanese and the Syrian nationalists were so far no more than superficial feelings which could not yet compete with the deep-seated attachment of the Maronites to the cause of Lebanese independence, but that, nevertheless, time was likely to work, even in Maronite hearts, in favour of the cause of voluntary union.

The news of this colloquy between the Maronite Patriarch and his Damascene visitors at Bakurkī evoked protests from a Sunnī Lebanese 'Congress of the Coast' which had been in session since the 10th March at Bayrūt and had already passed a resolution demanding the restitution to Syria of all the districts that had been annexed to the Lebanon in 1920. Similar demands were heard, in the course of March, from the people of the annexed districts in the interior (the Biqā' and the Hermon district); and on the 12th March a deputation demanding union with Syria arrived in Damascus from the Shī'ī (Matāwilah) stronghold of the Jabal 'Āmil. A memorial asking for the union of the Lebanon with Syria was addressed to the French High Commissioner by an association styling itself 'the Syrian National Party in the Lebanon', which was dissolved for this offence, on the 17th March, by a decree of the Lebanese Government. In the middle of March there was founded at Bayrūt a 'Party of Lebanese Unity' with the programme of 'combating the pretensions of the Syrian annexationists and defending the territorial integrity of the Lebanon'. The question of the personal statute of the Christian

communities in Syria, as well as in the Lebanon, was discussed at Bakurkī on the 26th March in a conference between the Maronite Patriarch and representatives of the other Christian communities in the two states, and in the same place, on the 1st April, at another conference between the Maronite Patriarch and the Damascene nationalist leader Fakhrī Bey al-Bārūdī, who had also been one of the Patriarch's visitors on the 13th March. About the end of March a memorandum on the minorities problem was despatched to the Ministry of Foreign Affairs at Paris by the Greek Catholic Patriarch of Antioch. In April there were demonstrations for and against re-absorption into Syria in the Jabalu'd-Durūz, and also in the government of Lādiqīyah (where the cause of union was supported by the Orthodox Christian as well as by the Sunnī element in the local population).[1] In the sanjāq of Antioch and Alexandretta, which was already an integral part of the Syrian state but was at the same time in enjoyment of a special local régime for the benefit of its predominantly Turkish population,[2] a movement now started for secession from Syria and reunion with Turkey; and the sequel[3] was to show that this movement was not a matter of indifference to the Government at Angora. In April, too, there were separatist disturbances in the Lebanese annexes of Sūr and Saydā and Jabal ʿĀmil. These disturbances recurred in July, after the meeting at Saydā of a congress of Lebanese advocates of union with Syria. In the same month a Consultative Council of Lebanese Muslims was organized at Bayrūt under the auspices of the Mufti of that city. In July, again, 'the Syrian National Party in the Lebanon' once more raised its head, and the Lebanese authorities retorted by making seventeen arrests. This group seems to have aroused particular apprehension and resentment in Lebanese official circles because the moving spirits in it were Lebanese Christians. On the other hand, on the 7th July, the five Sunnī deputies in the Lebanese Chamber sent a note to the President of the Lebanese Republic in which they confined their demands to a request for the grant of equality of rights to the Muslim inhabitants of the Lebanon, and thereby implicitly acquiesced in the retention by the Lebanon of the territories that had been annexed to it in 1920. It might be questioned whether these deputies,

[1] This political solidarity between Orthodox Christians and Sunnī Muslims in the Lādiqīyah district was a symptom of the tendency for a common Syrian national consciousness to override sectarian feelings.

[2] See the *Survey for 1925*, vol. i, pp. 349, 353, 457–9; the *Survey for 1930*, pp. 310, 312, 313; the *Survey for 1934*, pp. 290, 291, 293; and section (iv) of this part of the present volume.

[3] See pp. 770 *seqq.*, below.

who had obtained their seats under the Constitution of the 2nd January, 1934,[1] were genuinely representative of their supposed constituents. The deputy for Tarabulus subsequently revoked his signature. On the other hand, the four Shī'ī deputies followed the example of their Sunnī colleagues by addressing a letter of their own to the President of the Lebanese Republic in the same sense. A protest against the Sunnī deputies' *démarche*, coupled with a demand for union with Syria, was made in the village of Lālā on the 26th July by a 'Congress of the Biqā' and Rāshayyā'.

This warfare of manifestos was the background, in the mandated territory, against which the negotiations of the 15th March–9th September, 1936, were conducted in Paris between the Syrian delegation and the French Government. And these negotiations were critical; for it was one thing for the French Government to consent to parley for the sake of purchasing a respite from disturbances in Syria that had been too much for the mandatory authorities, but quite another thing for them to accept the Syrian nationalists' terms and conclude a treaty on that basis.

The proceedings in Paris began with exploratory conversations which lasted from the 15th March to the 18th April;[2] on the latter date the French negotiators submitted definite—and, in intention, final—proposals to the Syrian delegation; and at this point the positions of the two parties were still so far apart that the outlook might have seemed hopeless if Franco-Syrian relations had not been extricated from their *impasse* by the profound change that came over the face of the domestic politics of France as a result of the general election of the 26th April–3rd May, 1936, which condemned to death the French Government with whom the Syrian delegation had been dealing with such ill success. In this situation the Syrians held a consultation with the new French Prime Minister designate, Monsieur Blum, and they were encouraged by this informal exchange of views to withhold their official reply to the expiring French Government's proposals until after it had breathed its last breath. Monsieur Blum took office on the 4th June; the Syrian delegation's reply was presented on the 11th; and, after a consultation at the

[1] See the *Survey for 1934*, p. 290.

[2] This is the date according to *Oriente Moderno*, May 1936, p. 263. On the other hand, according to Montagne, *op. cit.*, p. 41, it was on the 7th May that the French reply was delivered; and this later date seems to be supported by *Oriente Moderno*, June 1936, p. 320. The contradiction would disappear if the French Government proved to have communicated their terms in two successive forms—in a memorandum on the 18th April and in a draft text for a treaty on the 7th May.

Quai d'Orsay, on the 16th of the same month, between the new Under-Secretary of State for Foreign Affairs, the French High Commissioner from Bayrūt, and the French Government's technical experts, the Franco-Syrian negotiations were resumed on a new basis, and the ensuing discussion of the outstanding differences between the desiderata of the two parties resulted in the signature of a treaty on the 9th September.[1]

The terms of the Franco-Syrian treaty of alliance of the 9th September, 1936, can only be briefly summarized here.[2] The main body of the instrument conformed very closely—and this not only in substance, but even in phraseology—to the Anglo-'Irāqī treaty of 1930, on which it was deliberately modelled.[3] The annexes, however, included, in addition to a military convention on the Anglo-'Irāqī pattern, a number of statesmanlike and humane provisions for the protection of minorities which, in the Anglo-'Irāqī instrument, had been conspicuous by their absence.

The essence of the Franco-Syrian treaty of the 9th September, 1936, was that it substituted a freely negotiated treaty-relation between two sovereign independent states for the previous relation between a Mandatory Power and a mandated territory. Like the Anglo-'Irāqī treaty of the 30th June, 1930, and the Anglo-Egyptian treaty of the 26th August, 1936, the new Franco-Syrian treaty was a treaty of alliance in which the contracting parties undertook to

[1] It was in this last stage of the Franco-Syrian negotiations that they were affected, to some extent (as testified by the correspondences between the respective texts of the resultant treaties), by the outcome of the Anglo-Egyptian conversations of the 2nd March–24th July, 1936.

[2] The text was published in *L'Europe Nouvelle*, 28th November, 1936. It will be printed in *Documents on International Affairs, 1937*.

[3] It may be worth noting the correspondences of the Articles of the Franco-Syrian treaty of the 9th September, 1936, and of the Franco-Lebanese treaty of the 13th November, 1936, with those of the Anglo-'Irāqī treaty of the 30th June, 1930, which was itself derived from the proposals of 1929 for an Anglo-Egyptian treaty (see the *Survey for 1930*, p. 322, footnote 4).

Articles in Anglo-'Irāqī Treaty	*Corresponding Articles in Franco-Syrian Treaty*	*Corresponding Articles in Franco-Lebanese Treaty*
1	1 and 2 § 1	1 and 2 § 1
2	2 § 2	2 § 2
3 and 4	4	4
5	5	5
8 § 2	3	3
10	8 § 2	9
11	6 and 7	6 and 7

N.B.—There is nothing in the Anglo-'Irāqī treaty that corresponds to Article 8 § 1 of the Franco-Syrian treaty, or to Article 8 of the Franco-Lebanese treaty.

consult one another in peace time if there were to be a threat of war, and to go to one another's assistance in the event of either of them being actually attacked. As in the two other treaties, again, the assistance which the Arab partner in the alliance was to give to the European partner, if this obligation were ever to be brought into play, was to be confined to the passive service of placing all facilities in its own territory and territorial waters and air at its ally's disposal. The Franco-Syrian treaty conformed with the Anglo-'Irāqī treaty, and differed from the Anglo-Egyptian treaty, in being concluded, not in perpetuity, but for a period of twenty-five years, in the first instance, from the date of the treaty's coming into force. This date was to be the day on which Syria was admitted to membership of the League of Nations; and it was provided (in the preamble and in protocol No. 5 among the annexes) that the admission of Syria to membership of the League was to be secured within three years of the ratification of the treaty. France in Syria, like Great Britain in 'Irāq, was, for the duration of the treaty, to have the use of two military air-bases (Article 5 of the treaty and Article 5 of the annexed military convention).[1] France also undertook towards Syria (protocol No. 4), as Great Britain had undertaken towards 'Irāq[2] and towards Egypt,[3] to lend her good offices in helping her new Arab ally to obtain release from the servitude of the old Ottoman Capitulations. In all these points, French diplomacy was following British models.[4] The new and deliberate departure in the Franco-Syrian treaty was the careful and elaborate provision for the protection of minorities—a provision which may have been superfluous for the protection of the Coptic Monophysite Christian minority in Egypt, but which might well be as necessary for the protection of some, at least, of the non-Sunnī minorities in Syria as it had been shown already, by tragic events, to have been indispensable for the protection of the Assyrian Nestorian Christian minority in 'Irāq.

In Syria, as in 'Irāq, the minorities fell into two classes. On the

[1] It was stipulated that the French air-bases on Syrian soil (as had been stipulated in regard to the British air-bases on 'Irāqī soil) should be located in places which would be inconspicuous, and therefore inoffensive.

[2] See the *Survey for 1930*, pp. 331–2.

[3] See p. 697, above.

[4] There was one point on which the Franco-Syrian treaty neither followed nor departed from, but supplemented, its Anglo-Arab models. In the light of the experience of the Italo-Abyssinian conflict, the Franco-Syrian treaty of the 9th September, 1936, provided (Art. 8) that, from the moment of the treaty's coming into force, the French Government should be released from all responsibilities and obligations which were at present laid upon France, in respect of Syria, in consequence either of international decisions or of acts of the League of Nations.

one hand, there were the minorities in diasporà (mainly represented by the Jews and by Christians of several different rites and allegiances) whose interests could not be safeguarded by any territorial arrangements, since it would be impossible to plot out any districts on the map in which these communities would not be outnumbered by their neighbours belonging to other communities. These scattered minorities were mainly urban. On the other hand, there were minorities like the Turks in the districts of Alexandretta and Antioch, or the Druses in the Jabalu'd-Durūz, or the Ansarīyah in the Jabal Ansarīyah, who were on the land as well as in the towns and whose settlements were sufficiently compact, and at the same time sufficiently extensive, to make some kind of local autonomy a practical possibility. In the Franco-Syrian agreement of the 9th September, 1936, the interests of the scattered minorities were secured—as far as they could be given security on paper—in one of the annexes to the treaty (exchange of letters No. 5) in which the Prime Minister of the Syrian Republic gave an undertaking to the French High Commissioner that he would maintain, and give full effect to, the legal guarantees in favour of individuals and communities which were laid down in the Syrian Constitution. The problem of providing for the three compact minorities was both more complicated and more controversial.

The complication lay in the difficulty of endowing even these substantial minorities with any measure of territorial autonomy without incidentally including an appreciable part of the Sunnī majority of the population of Syria in the autonomous areas created for the benefit of the Druses and the Ansarīyah and the Antiochene Turks. This difficulty was pertinently illustrated by the actual position of the Sunnī community on the existing administrative map of Syria as it had been drawn by the French mandatory authorities. The controversy arose out of the Syrian nationalists' belief that, in setting up the two autonomous governments of Lādiqīyah and Jabalu'd-Durūz, as well as in introducing a special régime in the sanjāq of Antioch and Alexandretta, the French had been moved less by a disinterested desire to give these minorities legitimate protection than by a policy of dividing and ruling. In the Syrian nationalists' eyes, the establishment of these three autonomous areas was all of a piece with the creation of the Greater Lebanon; and their sensitiveness over this territorial issue—a feeling which, as has been observed, had been one of the two main causes of the non-ratification of the abortive Franco-Syrian treaty of 1933—put the French in a quandary as soon as French policy (whatever it may have been at an earlier

stage) became (as it did become from the 1st March—or, at any rate, from the 4th June—1936, onwards) a policy of coming to terms with the Syrian nationalists by satisfying their aspirations. In this new phase of Franco-Syrian relations the French found themselves embarrassed by their own past action. For by this time the territorial division and sub-division of the French mandated territory in the Levant was an accomplished fact in which the local beneficiaries had acquired a vested interest. And if, for the sake of arriving at a good understanding with the majority in Syria, the French were now to go back upon their existing provisions for the benefit of the minorities beyond a certain point, they might actually defeat their own ends by provoking—at any rate among the Turks of Antioch and among the Druses of the Jabal—an explosion that would be fatal to the now paramount French policy of getting rid of the commitments of the Mandate.

This delicate problem was solved by a transfer from the Mandatory Power to the Syrian Government of the prerogatives of sovereignty over the two territories of Lādiqīyah and the Jabalu'd-Durūz, and by the simultaneous establishment, in both territories, of a special administrative and financial régime which was to be based, with two carefully defined exceptions, upon the existing régime in the sanjāq of Antioch and Alexandretta. Both these two mutually complementary provisions were included in the terms of a pair of *arrêtés*, to be promulgated by the French High Commissioner, the texts of which were incorporated into one of the annexes to the treaty (exchange of letters No. 6). The effect of this arrangement would be to reunite, under the effective sovereignty of the Syrian Republic, the whole of the French mandated territory in the Levant outside the bounds of the Greater Lebanon, while avoiding—even outside those bounds—any change in the administrative boundaries which had been drawn under the French mandatory régime. At the same time, a material guarantee for the protection of the Druse and Nusayrī minorities in a re-united Syria was provided in the Franco-Syrian military convention annexed to the treaty. On the precedent set by the Anglo-'Irāqī treaty, it was here laid down that—apart from the air-bases which the European party to the treaty was to be allowed to maintain in the Arab party's territory for the duration of the treaty—the French Government were to have the right of maintaining French troops on Syrian soil for five years after the coming into force of the treaty (that is, for eight years from the date of the exchange of ratifications). In this context, it was stipulated in the Franco-Syrian military convention (Article 5) that the Jabalu'd-

Durūz and the Government of Lādiqīyah were to be the zones of Syrian territory in which the French troops in question were to be stationed during the period of their presence in Syria; and it was further provided that

> The Syrian Government will leave at the disposal of the French High Command—which will undertake their maintenance and instruction—the units [of the Syrian Army] that will be stationed in these regions; and the Syrian Government will also facilitate the recruitment of the local elements necessary for ensuring the maintenance of these effectives.

Thus, for the first eight years from the exchange of ratifications, there would be no troops stationed in either the government of Lādiqīyah or the Jabalu'd-Durūz which were not either French troops or locally recruited troops under French control. If the British Government, in 1930, had been able to provide as effectively as this for the future discharge of British obligations towards the Assyrian minority in 'Irāq, this might have been happier for 'Irāq herself, as well as for Great Britain and for her former protégés.[1]

The Franco-Syrian treaty of the 9th September, 1936, was approved unanimously on the 27th December, 1936, by a Syrian Parliament for which the elections, in two degrees, had been held on the 14th November and the 30th November, 1936. Meanwhile, the French authorities had been engaged in negotiating and signing a corresponding treaty between France and the Lebanon.

This further step was inevitable when once a Franco-Syrian treaty had been signed; for the Maronites—who considered themselves to be much farther advanced along the path of Westernization than their Syrian neighbours—could not be expected to acquiesce in a political status for the Lebanon which would be in any way inferior to that which Syria was now acquiring. Nor could France, on her side, afford to show less generosity to a Levantine community which had been consistently Francophil for not much less than three centuries than she was now showing to another Levantine community which, from first to last, had fought tooth and nail against the imposition of the French Mandate. Accordingly, a Franco-Lebanese treaty was rapidly

[1] Perhaps the fate of the Assyrians was already sealed when all but a fraction of their native mountain fastness was left on the Turkish side of the new frontier between Turkey and 'Irāq (see the *Survey for 1925*, vol. i, pp. 21, 483–6, 499–504, 527–8; the *Survey for 1934*, pp. 135–65). The Assyrian community was thereby transformed from a geographically compact people with a defensible territory of its own, like the Druse community in the Jabalu'd-Durūz or the Nusayrī community in the Jabal Ansarīyah, into a diasporà which was at the mercy of a surrounding majority that was both alien and hostile.

negotiated and signed before the close of the calendar year, but this transaction—again, perhaps, inevitably—brought to a head the conflict over the districts that had been annexed to the Lebanon by General Gouraud's act in 1920; and this trouble in the Lebanon threatened, in turn, to put a strain upon the relations between the Lebanon and Syria at a moment when there was greater need than ever for a Syro-Lebanese reconciliation.

The Franco-Lebanese negotiations of 1936 were opened on the 20th October at Bayrūt, and a Franco-Lebanese treaty was signed in the same place on the 13th November. Both the treaty itself and the military convention that was annexed to it were identical, not merely in substance but in actual text, with the Franco-Syrian treaty and military convention, save for a variation here and there. In the treaty itself, the most important variation was in the matter of the treaty's duration; for, whereas the Franco-Syrian treaty was to lapse after having run for twenty-five years, unless negotiations for its renewal or modification were opened at some date after the twentieth year at the instance of one of the parties (Article 6), the Franco-Lebanese treaty was to continue in force for a second term of twenty-five years, automatically, if neither party took positive action to prevent this, and it was merely provided that negotiations for possible modifications might be opened, at the instance of one of the two parties, in the course of the twenty-fourth year of the first twenty-five years' period. In the Franco-Lebanese convention, the principal variation from the Franco-Syrian model was in the matter of the presence of French troops in the Levantine contracting party's territory or territorial waters or air. Whereas the Franco-Syrian military convention had expressly limited the Syrian concessions to France in this matter to the use of two air-bases for the duration of the treaty, and to the stationing of French troops in two special districts for the first five years, the terms of the Franco-Lebanese military convention were vaguer, and on that account more favourable to France. In this case it was merely provided that, pending a fresh agreement, France was to be allowed to maintain French forces of all three arms in Lebanese territory, territorial waters, and air, and that the precise terms on which these French troops were to be stationed in the Lebanon, and on which the French and Lebanese forces were to collaborate, were to be settled by periodical agreements.

The truth was, no doubt, that the dominant Christian element in the Lebanon was as anxious to retain the French garrison as the Druses were to see the French troops remain in the Jabalu'd-Durūz or the Ansarīyah to see them remain in the government of Lādiqīyah.

For the assertion of national sovereignty and independence against France, which was the main concern of the nationalist majority in Syria, was not the main concern of the Christian majority in the Lebanon. They were more deeply concerned to safeguard, against a local Sunnī Muslim separatist movement, a territorial settlement which they would never have obtained in the first instance if it had not been bestowed upon them in 1920 by the French conqueror of the Amīr Faysal b. Husayn's abortive Arab state at Damascus;[1] and the Lebanese Christians were well aware that, unless French arms continued to uphold an arrangement which nothing short of French military action could ever have enforced, the Lebanon would be quickly reduced again to the boundaries of 1861 by the combined forces of the Sunnī minority on the Lebanese side, and the Syrian nationalist majority on the Syrian side, of the Syro-Lebanese frontier of the 31st August, 1920.[2]

Some account has already been given of the communal disturbances which occurred within the bounds of the Greater Lebanon while the Franco-Syrian treaty was being negotiated in Paris. These disturbances had moved the French Government to address to the President of the Lebanese Republic on the 22nd June an assurance that, in the Franco-Syrian negotiations, the question of modifying the existing Syro-Lebanese frontier would not be raised.[3] When the Lebanese delegation for negotiating the Franco-Lebanese treaty was chosen, no representatives of the separatists in the annexed districts were included in it; and this omission provoked at Tarabulus a nine-days' strike which ended in a riot on the 2nd November. At Bayrūt on the 15th November, Christian demonstrations of joy, and Muslim demonstrations of grief, at the signing of the treaty led to a serious communal conflict in which more than seventy persons were injured; and there were about a hundred casualties, several of which were fatal, in a clash between French troops and local demonstrators in favour of reunion with Syria at Tarabulus on the 20th. It was in this atmosphere of tension that the treaty was approved by the Lebanese Parliament unanimously on the 17th November.

[1] See the *History of the Peace Conference of Paris*, vol. vi, pp. 167–8, and the *Survey for 1925*, vol. i, pp. 355–6, 449–50.

[2] The Syrian Nationalist Bloc's good resolution to refrain from attempting to bring about a political union between Syria and the Lebanon by other than peaceful means, had been taken in the belief that any attempt at a forcible solution of the Syro-Lebanese problem would bring the Syrian Nationalist Movement into a head-on collision with the military power of France. If this French sanction were to be removed, it might be doubted whether those counsels of moderation would long continue to prevail at Damascus.

[3] Montagne, *op. cit.*, p. 41.

The conclusion of these two separate treaties between France on the one hand and the Lebanon and Syria, respectively, on the other did not complete the liquidation of the French Mandate in the Levant; for one of the main functions and responsibilities of the Mandatory Power had been to preside over the operation of certain public services—particularly a customs service—which had been administered in common by the Lebanese and Syrian Governments under French auspices for the past fourteen years.[1] In arranging for the liquidation of the French Mandate in the Levant, it was evidently necessary either to make provision for the maintenance of the existing common services by direct co-operation between the two Levantine states, or else to set some limit to the dislocation which might ensue if the common services were to lapse. Accordingly, it was provided, in one of the annexes to the Franco-Syrian treaty (protocol No. 2), that, upon the ratification of the treaty, Syria should enter into negotiations with the Lebanon for the settlement of the questions outstanding between the two countries; and France, for her part, undertook in advance to act in accordance with the terms of any such Syro-Lebanese settlement in handing over to the Syrian Government the powers of legislation and administration in economic and financial matters that were at present exercised by the French High Commissioner on Syria's behalf. In the same protocol the Syrian Government pledged themselves, *vis-à-vis* the Lebanon (subject to the receipt of a corresponding pledge from the Lebanese Government), to give at least as favourable a treatment to the Lebanon as to the other successor states of the Ottoman Empire, supposing that the proposed Syro-Lebanese settlement were not to provide either for any common organ of administration or even for any procedure for collaboration between the respective national administrations of the two parties.

On the morrow of the conclusion of the Franco-Syrian and Franco-Lebanese treaties, it was plain that the proposed financial and economic negotiations between the Lebanon and Syria would be no less important than the political negotiations which each of the two Levantine states had just been conducting with France. It was also clear that a Syro-Lebanese economic and financial agreement, which was of vital importance for the interests of both parties, was in danger of being delayed, and perhaps frustrated altogether, by the territorial dispute over the Syrian *terra irredenta* which had been created in Lebanese territory as a result of the territorial aggrandizement of

[1] For the establishment of these common services on the 30th January, 1923, see the *Survey for 1925*, vol. i, p. 360.

the Lebanon by the act of General Gouraud on the 31st August, 1920. In the eyes of a foreign observer, at the close of the year 1936, this high-handed stroke of French policy in the Levant did not appear any less unstatesmanlike than it had appeared ten years or sixteen years back.[1]

(iv) The Franco-Turkish Dispute over the Sanjāq of Alexandretta (1936–7)

At the time of the conclusion of the Franco-Syrian treaty of the 9th September, 1936,[2] the sanjāq of Alexandretta and Antioch—unlike the governments of Lādiqīyah and Jabalu'd-Durūz—was an integral part of the state of Syria; but within that political framework it enjoyed a special régime; and this régime differed again from that in the other two special areas above mentioned in the point that it did not rest simply on the *fiat* of France in her capacity as Mandatory Power over a zone of Levantine territory in which all these areas were included, but was also based on an international agreement between France and Turkey. The history of the negotiation of this Franco-Turkish agreement has been recorded in a previous volume in this series.[3] The results were embodied in two instruments: 'the Franklin-Bouillon Agreement' of the 20th October, 1921, and 'the de Jouvenel Agreement' of the 30th May, 1926. Between them, these two documents registered two diplomatic achievements: an agreed settlement of all but the easternmost section of the frontier between Turkey and the territory under French Mandate in the Levant,[4] and an agreed settlement of the régime that was to be maintained by the French authorities in one district—namely the sanjāq of Alexandretta and Antioch—which was left on the non-Turkish side of the newly agreed frontier line. The reason why the Turkish Government had insisted on making these stipulations in regard to one fragment of the ex-Ottoman territories over which they were renouncing their own title to sovereignty was that, in the population of this sanjāq, there was an important Turkish-speaking Sunnī Muslim element. In Turkey it was claimed that this element constituted a majority of the population of the district; and while in French and Syrian quarters it was contended that in reality it amounted to less

[1] For a *critique* of General Gouraud's *arrêté* of the 31st August, 1920, see the *Survey for 1925*, vol. i, pp. 355–6.

[2] See the immediately preceding chapter of the present volume.

[3] The *Survey for 1925*, vol. i, Part III, section (viii).

[4] For the eventual settlement of this easternmost section of the frontier as well see the *Survey for 1930*, pp. 314–16.

than 40 per cent. of the whole (about 87,000 souls[1] out of about 220,000), it would have been difficult to contest that these Alexandrettan and Antiochene Turks were the most important single community—in vigour, in political self-consciousness, and perhaps even in numbers—in a district in which the population was exceptionally variegated, even on the traditional standard of intermixture in the Near and Middle East.[2] In these statistical questions it was difficult to arrive at any definite and unchallengeable conclusions—as became evident when the statistical arguments on either side were bandied to and fro in and after the autumn of 1936. During the preceding fifteen years, however, these contentious questions had hardly been raised, since the sanjāq had been happy in having scarcely any history between the signature of 'the Franklin-Bouillon Agreement' and that of the Franco-Syrian treaty. During those fifteen years, the régime prescribed for the sanjāq in 'the Franklin-Bouillon Agreement' had been conscientiously maintained by the French authorities; and the effect seems to have been to content the local Turkish-speaking-and-feeling community without seriously displeasing either the other communities in the sanjāq or the nationalists in the state of Syria—of which the sanjāq of Alexandretta had not ceased to be an integral part.[3]

It is noteworthy that in the long-drawn-out discussions and dissensions between the Syrian nationalists and the Mandatory Power which were brought to an end at last by the signature of the Franco-

[1] See the *Survey for 1925*, vol. i, p. 458.

[2] The sanjāq of Alexandretta had hitherto escaped the hideous process of *Gleichschaltung*, by eviction or massacre, which had transformed the ethnographical map of Anatolia and the Balkan Peninsula during the last hundred years under the devastating influence of the Western idea of Nationalism. Indeed, the simplification of the map in Turkey by the former of these two methods had actually accentuated the variety of the population of the Alexandretta district by reinforcing the Armenian element there with refugees from Cilicia. Since all these Armenians were Turkish-speaking, the effect of the arrival of these victims of Turkish national chauvinism was to raise the Turkish-*speaking* element in the population to a majority of the whole, while reducing the Turkish-*feeling* element to a rather smaller minority than it had previously represented. This paradox illustrates the inapplicability of the latter-day Western linguistic criterion of Nationality to this Middle Eastern district at this date. At the same time, the traditional distribution of group-allegiances on religious lines had already been thrown into confusion in the sanjāq of Alexandretta by the onset of the Western political idea; for the real Turkish-speaking and Arabic-speaking Sunnīs had now lost their traditional sense of solidarity with one another as members of the same *millet*, and had come to be divided, European fashion, on lines of political nationality that were determined by their difference of language.

[3] For the half-hearted and abortive separation movement in the sanjāq in the first half of the year 1926 see the *Survey for 1925*, vol. i, pp. 458–9.

Syrian treaty of the 9th September, 1936, the status of the sanjāq of Alexandretta was never one of the contentious questions. Although the administrative division and subdivision of the zone under French Mandate was one of the principal grievances of the Syrian nationalists their attention was concentrated upon the creation of the Greater Lebanon and the establishment, within the Syrian remainder of the mandated territory, of the two separate governments of the Jabalu'd-Durūz and Lādiqīyah;[1] and it was the status of these two districts, and not that of the district of Alexandretta, that was the crux of the Franco-Syrian negotiations out of which the treaty of the 9th September, 1936, at length emerged after the negotiations had all but come to grief on this point.[2] As between the French Government and the Syrian nationalists, the statute of the sanjāq of Alexandretta was so far from being in dispute that there was actually no direct reference to it either in the treaty itself or in any of its annexes.[3] The perpetuation of the special régime in the sanjāq which rested on the Franco-Turkish agreements of 1921 and 1926 was assured by a general stipulation in the Franco-Syrian treaty of 1936, Article 3, which provided that:

> The two High Contracting Parties will take all measures with a view to securing the transfer to the Government of Syria alone, on the day of the expiry of the Mandate, of the rights and obligations of all treaties, conventions and other international acts concluded by the French Government in matters concerning Syria or in the name of that country.

The only mention of the sanjāq of Alexandretta by name was in a footnote to Exchange of Letters No. 6, which dealt with the crucial question of the future status of the governments of the Jabalu'd-Durūz and Lādiqīyah within the framework of the state of Syria. The compromise, on this crucial question, upon which the French and Syrian negotiators had eventually been able to agree was that, in principle and in general, the two governments should be incorporated into the state of Syria on administrative and financial conditions corresponding to those already in force in respect of the sanjāq of Alexandretta; and this footnote laid down one or two points on which the Alexandrettan precedent was not, after all, to be applied in those other two cases.

Upon the signature of the Franco-Syrian treaty of the 9th Septem-

[1] See *op. cit.*, pp. 346–66, and the *Survey for 1934*, pp. 284–301.

[2] See the preceding chapter, pp. 753 *seqq.*

[3] This was pointed out by the French representative on the Council of the League in his statement of the 15th December, 1936, at the meeting of the Council on that date.

ber, 1936, the Syrian nationalists imagined that they had secured the political union, within the framework of the state of Syria, of the whole of the territory hitherto under French Mandate outside the frontiers of the Greater Lebanon. They fancied this result to have been achieved by the assimilation of the status of the governments of the Jabalu'd-Durūz and Lādiqīyah to that of the sanjāq of Alexandretta. But they were to experience an immediate disillusionment. For the publication of the terms of the Franco-Syrian treaty at once gave rise to a Franco-Turkish dispute over the one question which had not been a matter of Franco-Syrian controversy. And this Franco-Turkish dispute was eventually settled by a revision of the status of the sanjāq of Alexandretta which enlarged its autonomy to a degree at which its connexion with Syria, after Syria had become a sovereign independent state, would not be very much closer than the connexion of the Jabalu'd-Durūz and Lādiqīyah with Syria had been under the French mandatory régime. Thus, while the Franco-Syrian controversy had been settled by assimilating the status of the two governments to the existing status of the sanjāq, the Franco-Turkish dispute in its turn was settled by the inverse expedient of assimilating the status of the sanjāq to the previous status of the two governments; and in the event the Syrian nationalists were disappointed of their hope of securing the incorporation into Syria of all these three territories alike on conditions that would be perfectly compatible with the Damascene ideal of Syrian national unity.

The announcement of the terms of the Franco-Syrian treaty of the 9th September, 1936, was the signal for expressions of concern in the Turkish press over the future of the Alexandrettan Turkish community; and this public press campaign was followed up, on the 26th September, by a reference to the question from the lips of the Turkish Minister for Foreign Affairs, Monsieur Aras, during a session of the Council of the League of Nations at Geneva. Monsieur Aras asked the representative of France 'to give the Turkish Government an opportunity to engage in friendly conversations on that matter with the French Government'. On the 2nd October, the 'anxieties felt by the Turkish people' for their compatriots across the frontier were referred to by the representative of Turkey at the seventeenth ordinary session of the League Assembly, and in the proceedings of the Sixth Committee the question was touched upon again by both the Turkish representative and his French colleague, Monsieur Viénot, who was the Under-Secretary of State for Foreign Affairs in Monsieur Blum's ministry. On this occasion Monsieur Viénot reminded his colleagues that, at the Council meeting of the 26th

September, he had assured Monsieur Aras that, by the terms of the new Franco-Syrian treaty,

> Syria would . . . be liable for the undertakings [that] France had contracted towards Turkey in respect of the sanjāq of Alexandretta as soon as she had obtained her independence and was endowed with sovereignty.

He went on to inform them that, since then, he had had conversations with Monsieur Aras and had told him that,

> should the Turkish Government wish to use this opportunity for redefining the system of autonomous government at present in force in the Alexandretta district, or even to formulate any new demand which it might deem necessary, France would be prepared to enter into negotiations, provided always that they came within the framework of the 1921 agreements, i.e., that they related to the same subject—namely, the maintenance of the Turkish character of the population. The French Government would associate the Syrian Government with those negotiations.

The Turkish Government's reply to this French offer was the dispatch from Angora to Paris, on the 9th October, of a note[1] which expounded a thesis and presented a demand on the basis of it. The Turkish thesis was that the status of the sanjāq of Alexandretta rested upon the two Franco-Turkish agreements of 1921 and 1926, and that 'the incorporation at one time of Alexandretta and Antioch in Syria' constituted 'an act of authority which' could 'be explained by the requirements of the mandatory administration, but which' could not 'constitute a right acquired for Syria, which' was 'about to receive its independence, to the prejudice of the two Franco-Turkish Conventions'. The Turkish claim was that 'the decision taken in regard to Syria and Lebanon must *a fortiori* be applied to the Turkish territories which were entrusted to' France 'under certain express conditions'. And this claim was formulated into a proposal that France should

> conclude with the delegates of the populations, the vast majority of whom are Turkish, in the region of Alexandretta and Antioch, a treaty similar to that signed by France with the representatives of Syria and the treaty now being negotiated with those of Lebanon.

This Turkish note was followed up, in its turn, by a public reference

[1] Text in *Second White Book on the Question of Alexandretta and Antioch*, communicated, together with five other documents, to the Secretary-General of the League of Nations by the Permanent Delegation of Turkey at Geneva on the 10th December, 1936. This letter, together with all the enclosures in it, is attached to the Minutes of the ninety-fifth (extraordinary) session of the Council (*League of Nations Official Journal*, January 1937, Annex 1629).

to the subject in a speech delivered in the Great National Assembly at Angora by President Kemal Atatürk on the 1st November:

> The important topic of the day, which is absorbing the whole attention of the Turkish people, is the fate of the district of Alexandretta, Antioch and its dependencies, which in point of fact belongs to the purest Turkish element. We are obliged to take up this matter seriously and firmly.

This authoritative and deliberate utterance showed that the Franco-Turkish controversy was fraught with danger; for if, on the one hand, it was now clear that the Turkish thesis and claim were going to be pressed, it was no less clear on the other hand that neither of them was acceptable to the French Government.

In the French view, the terms of the Franco-Syrian treaty of the 9th September, 1936, had the merit of being consonant with both parts of France's dual obligation in respect of the Levantine territories under her Mandate. The French were convinced, *pace* the Turkish Government's thesis, that France would be in no way defaulting on her undertakings to Turkey in transferring the responsibility for fulfilling them from herself to the state of Syria in the process of liquidating the French mandatory régime in a state of which the sanjāq of Alexandretta had been already an integral part at the time of the conclusion of 'the Franklin-Bouillon Agreement'.[1] They were also convinced that the terms of the Mandate—which had been conferred on France over 'the territory of Syria and the Lebanon', and which required the Mandatory Power 'to facilitate the progressive development of Syria and the Lebanon as independent states' (Article 1)—made it incumbent upon France to arrange that not more than two independent states should eventually be erected on the territory under French Mandate in the Levant, and that the whole of this territory should eventually be divided between those two states and those alone.[2] This was the ground of

[1] Strictly speaking, the sanjāq of Alexandretta was a part, not of the state of Syria, but of the state of Aleppo, on the 20th October, 1921; and it was not till the 5th December, 1924, that the state of Syria was brought into existence by a merger of the state of Aleppo with the state of Damascus. The status of the sanjāq of Alexandretta was not affected, however, by these Syrian permutations and combinations. On the 20th October, 1921, the sanjāq already enjoyed, as part of the state of Aleppo, a special local régime which had been conferred on it by the French mandatory authorities on the 8th August, 1921; and this status of being an integral part of a larger state, subject to a special local dispensation, continued to be enjoyed by the sanjāq after the 5th December, 1924 (see the *Survey for 1925*, vol. i, pp. 358 and 458). This was still the status of the sanjāq in 1936.

[2] This was the implication of Article 1 of the Mandate when read together with Article 4, which provided that 'the Mandatory shall be responsible for

principle[1] on which the French Government had conceded the demand of the Syrian Nationalist Bloc that the governments of the Jabalu'd-Durūz and Lādiqīyah should be incorporated into the state of Syria. It might have seemed almost indefensibly inconsequent for the Mandatory Power to agree the moment after—and this at the instance of a third party—that a new independent state should be carved out of the mandated territory by detaching from the state of Syria a district which had always formed part of it. The inconsequence might have seemed all the greater considering that the obligation, which the Mandate laid upon the Mandatory Power, to 'encourage local autonomy as far as circumstances permit' had already been discharged in the sanjāq of Alexandretta by the institution of a local régime, within the framework of the Syrian state, which by this time had been working satisfactorily for fifteen years, and which was being taken in the treaty as a pattern for the local autonomy that was to be preserved in the governments of Lādiqīyah and the Jabalu'd-Durūz, now that these hitherto separately administered territories were being incorporated into the state of Syria for the first time.[2]

These points were argued, in reply to the Turkish note of the 10th October, 1936, in a French note of the 10th November[3] which rejected the Turkish demand in the following terms:

> By detaching from the Syrian state a sanjāq which belongs to it and which, under the safeguard of its special status, actually co-operates in the political life of that state; by concluding, with the representatives of that sanjāq, a treaty of alliance analogous to those which are being negotiated with Syria and Lebanon, the French Government would be, both in law and in fact, setting up a third state on the same footing as the first two. Such an action would be tantamount to the dismemberment of Syria—a contingency against which the Mandatory Power is explicitly responsible for safeguarding the Syrian state.

To this the Turkish Government retorted by restating their arguments, more elaborately and emphatically than before, in a note of the 17th November;[4] and it looked as if the correspondence might

seeing that no part of the territory of Syria and the Lebanon is ceded or leased or in any way placed under the control of a foreign Power'. The terms of the Mandate were interpreted in this way not only by the French Government but also by the Permanent Mandates Commission; and indeed there had been a stage at which the Commission had pressed this interpretation upon the representative of the Mandatory Power (see the *Survey for 1934*, pp. 287 and 296).

[1] For the accompanying considerations of expediency, see the immediately preceding chapter of this volume, pp. 761–2.

[2] See pp. 762–3, above.

[3] Text in *League of Nations Official Journal*, January 1937, pp. 43–4.

[4] Text in *op. cit.*, pp. 50–1.

degenerate into an unprofitable and acrimonious exchange of legal arguments in the style of the classic debate between Monsieur Poincaré and Lord Curzon in 1922.[1] In a counter-reply on the 30th November,[2] the French did not yield any ground on their side. They did, however, make the proposal that the question should be referred to the Council of the League of Nations, as 'an international instance whose authority would have equal weight with the various parties concerned and whose competence to deal with the question would be beyond discussion'. And in an answering note of the 4th December[3] the Turkish Government accepted 'the proposal to submit the various aspects of the problem of Alexandretta and Antioch for full and impartial consideration to the next ordinary session of the Council of the League of Nations'. In a note of the 7th December[4] the French Government suggested that the question should be brought before the League Council at the extraordinary session which had been convened for the 10th December at the instance of the Spanish Government,[5] and this suggestion was promptly acted upon by the Turkish Government. In a telegram of the 8th December[6] they asked the Secretary-General of the League of Nations to place on the agenda of the extraordinary session of the Council, under Article 11 of the Covenant, for discussion on the 14th, 'firstly, the adoption of interim measures of protection to ensure the safety of the Turkish people of the sanjāq', and 'secondly, the substantive question at issue between Turkey and France as to the future of the aforesaid territories'. In a note of the 9th[7] they informed the French Government of what they had done; and in a telegram of the 10th[8] the French Government concurred in the Turkish Government's request, and also agreed in advance to any measures of conservation which the Council might consider desirable on both sides of the frontier.

This agreed reference of the controversy to an early session of the League Council was timely; for the attitude which the Turkish Government had previously taken up had raised the temperature of popular feeling not only in Turkey itself but also among the Turkish element in the population of the sanjāq of Alexandretta. At Antioch on the 1st December there was a collision, resulting in two deaths, between the police and a Turkish mob when the demonstra-

[1] See the *Survey for 1924*, pp. 11–16.
[2] Text in *League of Nations Official Journal*, January 1937, p. 52.
[3] Text in *op. cit.*, p. 53. [4] Text of note in *op. cit.*, pp. 53–4.
[5] The Spanish business that was dealt with on this occasion will be recorded in the *Survey for 1937*.
[6] Text in *League of Nations Official Journal*, January 1937, p. 36.
[7] Text in *op. cit.*, p. 54. [8] Text in *op. cit.*, p. 36.

tors were attempting to attack the house of one of their Arab compatriots who had just been elected a deputy to the National Assembly at Damascus in the Syrian general election of the 30th November.[1] In his note of the 7th December, Monsieur Delbos hinted that the Turks in the sanjāq had been stirred up by 'elements' which had made their way in from the Turkish side of the frontier, and he mentioned reports of the formation of bands along the border. In their reply of the 9th December, the Turkish Government announced that they were

> prepared to submit immediately to an international inquiry for the purpose of establishing on which side of the frontier the armed bands were formed, in what districts military preparations were made and in what manner sanguinary repressive measures were taken against unarmed and inoffensive populations.

The Franco-Turkish dispute was duly considered by the League Council on the 14th–16th December. On the 14th Monsieur Aras stated the Turkish case and asked

> that French troops and troops consisting of elements hostile to Turkey and the Turks should withdraw from the disputed territories and that a small detachment of neutral gendarmerie be sent there under the effective direction of a Commissioner of the League of Nations.

On the same day, the representative of Sweden, Monsieur Sandler, was appointed *rapporteur*. On the 15th Monsieur Viénot stated the French case and announced that the French Government were 'prepared to agree to any provisions designed to prevent incidents on the frontier and in the sanjāq itself', so long as there was no question of 'measures which would be tantamount to a partial suspension' of the Mandate or, again, of 'measures which would seem to prejudice' the Council's 'decision on the substance of the question'. On the 16th, the *rapporteur* presented a report and a draft resolution, not on the substance of the dispute, but on the interim conservatory measures to be taken in the sanjāq. Monsieur Sandler's endeavours to bring the two parties to agreement on this preliminary question had not been completely successful; and, when the resolution was put to the vote, the Turkish representative abstained from voting; but the British representative gave the resolution his support, and the text was adopted by the Council. Its principal terms were as follows:

> The Council,
>
> (1) Noting that the Governments of France and Turkey have agreed to postpone to the Council's ordinary session in January the examination

[1] See p. 763, above.

of the substance of the question which has arisen regarding the district of Alexandretta and Antioch, recommends the two Governments to continue their conversations meanwhile in close contact with the *Rapporteur*;

(2) Notes the assurances given by the representatives of France and Turkey that they will spare no effort to contribute to a satisfactory solution of the question;

(3) In response to the request formally made by the French Government, decides to send as soon as possible to the Sanjāq of Alexandretta three observers, with the task defined in the present report;

(4) Requests the President of the Council to appoint the said observers on the *Rapporteur's* proposal.

(5) Fixes the end of January 1937 as the maximum time-limit for the observers' mission;

(6) Stipulates that the adoption of the present resolution shall not be regarded as in any way prejudging the substance of the question, which remains entirely open.

By the 22nd December, the appointments to the three posts had been offered to, and accepted by, a Netherlander who had been Governor of the Island of Celebes, a Norwegian who had been President of the Commission for the Exchange of Greek and Turkish Populations, and a Swiss Colonel-Brigadier. These three observers arrived in Alexandretta at the turn of the calendar year.

Meanwhile, in pursuance of the first of the recommendations in the Council's resolution, Monsieur Aras had travelled on from Geneva to Paris and had there entered into further conversations with MM. Delbos and Viénot on the 21st–22nd December, in the presence of the Swedish Minister accredited to the Swiss Federal Government, who was acting for Monsieur Sandler. These conversations, however, had not resulted in any agreement;[1] and no fresh instructions were brought by Monsieur Ponsot, the French Ambassador accredited to the Turkish Government, when he returned to Angora on the 3rd January, 1937, from a visit to Paris. On the 5th January, some dissatisfaction at the slowness of the proceedings was expressed at a meeting of the Turkish People's Party at Angora after it had listened to a statement from Monsieur Aras (who had likewise returned from Paris to the Turkish capital). Thereafter, on the 6th, President Kemāl Atatürk left Angora for Qōnīyah (the headquarters of the Turkish Southern Command) by special train, and held a conference on the way, at Eskishehr, with his Prime Minister, his Chief of the

[1] Monsieur Aras appears on this occasion simply to have elaborated, without modifying, the original Turkish proposal that the sanjāq of Alexandretta should be erected into an independent state and that this state should enter into a federation with Syria and the Lebanon on equal terms with each of the other two partners.

General Staff, his Minister for Foreign Affairs (Monsieur Aras) and his Minister for the Interior. On the 7th the President passed through Qōnīyah and travelled on south-eastward to Uluqyshla; there was a rumour that Turkish troops were concentrating on the borders of the sanjāq; and excitement at Angora was matched by uneasiness in Paris. On the same day, however, the Turkish Ambassador in Paris had an interview with Monsieur Viénot in which Monsieur Daraz's attitude was reassuring; and on the 8th it was announced that President Atatürk was already back in Angora and was taking the chair at a Cabinet meeting. On the same night, new Turkish proposals, which had been drawn up at this meeting, were transmitted to Paris; on this basis conversations were resumed in the French capital; and on that account the opening of the forthcoming meeting of the Council was postponed from the 18th to the 21st January at the request of both parties to the dispute. By the 18th, however, it had become apparent that the method of direct discussion between the two parties had once again proved fruitless, and that the Council would be called upon to act.

These alarums and excursions in the international arena had been having repercussions on the patch of territory which was the subject of the Franco-Turkish dispute; and by this time the Turkish element in the local population had divided into factions whose outward visible sign was not the colour of their shirts but, *more orientali*, the cut of their headgear.[1] There were the 'chapistes'[2] (extreme or moderate) who advertised their Turkish national feelings by wearing the Western brimmed hat which had been the obligatory headgear of every male citizen of the Republic of Turkey since 1925.[3] There were the traditionalists, who persisted in wearing the fez or tarbush in which it was physically possible for a pious Muslim to perform his prayer-drill, covered, in the orthodox fashion.[4] And in the third place there were the mugwumps, who took to the béret as a non-committal compromise.[5] At Antioch on the 9th January there was a strike of Turkish shopkeepers and a procession of Arab school-children. At Rihānīyah, on the 10th, there was a clash between the Turkish and Arab factions which resulted in twenty casualties, one

[1] For the significance of headgear in the Near East, see the *Survey for 1925*, vol. i, p. 73.

[2] This is perhaps a gallicism for *shapqalylar* or wearers of the *shapqa* (the equivalent in Turkish of the French word *chapeau*).

[3] *Op. cit., loc. cit.*

[4] See *op. cit.*, pp. 74–5.

[5] On these local Alexandrettan Turkish parties and their symbolic headgear, see an amusing telegram in *Le Temps*, 9th January, 1937.

of which was fatal.[1] At Antioch on the 11th there was a joint procession of Arabs and Armenians;[2] and in the same city on the 12th there was a counter-demonstration of 'chapiste' Turks. In Turkey, in the meantime, the ebullitions of which these local incidents in the sanjāq were the ripples had been perceptibly quieting down. At Angora on the 9th January, 1937, Monsieur Aras made a sedative statement at a meeting of the parliamentary group of the Republican People's Party; and on the 10th the President left Angora again—but, this time, not for Uluqyshla but for Constantinople.

The Franco-Turkish conversations were resumed at Geneva on the 20th January—the eve of the opening of the Council meeting[3]—and were carried on, with the aid of Mr. Eden's good offices in collaboration with Monsieur Sandler's, until, on the night of the 24th, they resulted in an agreement in principle. Two still outstanding questions —that of the future status of the Arabic and Turkish languages in the territory, and that of the powers which were to be conferred on a local representative of the Council of the League of Nations—were likewise disposed of by the evening of the 26th. And on the 27th the Council was able to adopt a report from Monsieur Sandler embodying the terms already agreed upon by the parties.

The essence of the settlement was that the sanjāq of Alexandretta and Antioch was to constitute a separate political entity with a Statute[4] and a Fundamental Law of its own. It was to enjoy full independence in its internal affairs; but it was to remain in a customs and a monetary union with the State of Syria; and the Syrian Government were to be responsible (under certain safeguards) for the conduct of the sanjāq's foreign relations.[5] Turkish was to be an (*sic*) official language, but the character and conditions of the use of another language were to be determined by the Council. The application of the Statute and the Fundamental Law was to be supervised by the Council with the aid of a delegate of French nationality who was to be appointed by the Council and was to reside in the sanjāq. The French and Turkish Governments declared their willingness to give effect to any recom-

[1] The clash arose out of a contention as to which of the two factions was to be the first to acclaim the three neutral observers upon their arrival at Rihānīyah that day.

[2] This, again, was for the eyes of the neutral observers.

[3] In the course of these conversations, the French Government announced that they acquiesced in advance in whatever decision the Council might take.

[4] The Statute was to secure to Turkey the enjoyment of rights and facilities in the port of Alexandretta.

[5] In matters in which the responsibility would lie with Syria there were to be arrangements for a *liaison* between both the executive and the legislative authorities of the sanjāq and of Syria.

mendations that the Council might make to them for ensuring respect for the Council's decisions. There was to be no army, no compulsory military service and no fortification in the sanjāq; and its territorial integrity was to be guaranteed by France and Turkey in a treaty which they were to conclude with one another for that purpose. An agreement was also to be concluded between France, Turkey and Syria for the purpose of guaranteeing the inviolability of the Turco-Syrian frontier and of prohibiting in Turkish and Syrian territory any organizations or activities directed against the régime in force in the other country or against that country's security.

The news of the achievement of this settlement was received with different feelings by the different parties in the different countries concerned. There was relief in France, jubilation in Turkey, and mortification in Syria; but the touchstone was the reception of the news in the sanjāq itself; and here it was noteworthy that, while the local Turkish community were as jubilant as their compatriots across the frontier, the local Arab community did not show the same resentment as their compatriots in other parts of Syria. Considering that the Arabs of the sanjāq were far more closely affected than their kinsmen of Aleppo and Damascus, their attitude of unenthusiastic yet unmistakable acquiescence might be taken as a tribute to the merits of the arrangement which had been worked out at Geneva.[1] This arrangement had in fact secured that none of the diverse communities in the sanjāq should have its life made impossible for it—and this was no mean achievement in the world as it was at this time.

Happily, the strikes and demonstrations with which the news of the settlement at Geneva was received at Damascus, Aleppo and other Syrian towns (including Lādiqīyah) on the 27th January and during the next few days died away without any untoward incident, while on the other hand the public expressions of satisfaction in other countries concerned were reiterated. At Angora, for example, on the 29th January, an encomium on the League of Nations was pronounced by the Prime Minister of Turkey, Marshal Ismet Inönü, in the Great National Assembly; and on the 30th there was a fête, in honour of the settlement, at Constantinople. There were similar celebrations at Smyrna and Adana, and indeed throughout Turkey. In the House of Commons at Westminster on the 1st February, Mr. Eden described the settlement as 'an eminently satisfactory one' and as a

[1] In the House of Commons at Westminster on the 2nd March, 1937, Mr. Eden stated that, according to information received by the British Government, 'the local feeling in the sanjāq' was 'very well satisfied with the settlement'.

good omen for the future of the League of Nations; and he reaffirmed this favourable judgment in the same place on the 2nd March in the course of a general review of the foreign relations of the United Kingdom.

At Geneva in the meantime the work of implementing the settlement of the 27th January, 1927, was being carried forward. One of the proposals in Monsieur Sandler's report which the League Council had adopted on that date was that a committee of specialists should be appointed by the Council, in agreement with the Mandatory Power, to draft the new Statute and Fundamental Law for the sanjāq and to deal with the other technical questions which the terms of the settlement had raised. This committee was duly appointed, and it held its first meeting at Geneva on the 25th February. At the committee's request, the Council's three neutral observers in the sanjāq—whose mission had been prolonged, by the Council's resolution of the 27th January, beyond the original term, which was to have ended on the 31st—were called to Geneva[1] to assist the committee with their advice; and the committee had the benefit of the observers' presence in Geneva from the 8th March onwards. Between the 8th and the 17th March the committee examined drafts, which had been submitted from both the Turkish and the French side,[2] for the instruments which it was the committee's task to draw up. Thereafter, the committee drafted texts of its own. It finished its work on the 15th May; and its report—which included not only the texts of a draft Statute and a draft Fundamental Law but also a proposal in detail regarding the boundaries of the sanjāq and the committee's observations on certain objections that had been raised—was circulated to the members of the Council on the 24th of the same month.

The committee's work had brought to light two residual difficulties which would have to be dealt with before a complete and final agreement could be reached. There was the question of what was to be the status, in the sanjāq, of the Turkish and Arabic languages respectively; and there was a Turkish demand for the incorporation into the sanjāq of three adjoining districts (*nahīyahs*) which lay outside its historic boundaries but which, like the sanjāq itself, were partly Turkish-speaking. The Council was informed of these difficul-

[1] The Council's *rapporteur* on the Alexandretta dispute had been empowered to convene the observers in Geneva by one of the provisions in the Council's resolution of the 27th January.

[2] A Syrian delegation, headed by the Prime Minister of Syria himself, was also on the spot during part of the time while the committee of experts was at work at Geneva.

ties by its *rapporteur*, Monsieur Sandler, at a meeting held in private on the 25th May; and during the next few days the Council marked time while negotiations were carried on between the *rapporteur* and the parties. On the 29th May, Monsieur Sandler was able to present to the Council a report which had already secured the assent of Turkey and France and which the Council therefore did not hesitate to adopt. In the matter of the three contested districts, the settlement conformed with the judgment of a majority of the members of the committee of experts in leaving them outside the boundaries of the sanjāq, but it was agreed that the League of Nations should see to it that, in these three districts, the Turkish language should continue to be given free currency—particularly in the law courts and in the primary schools—by the Syrian authorities upon the expiry of the French Mandate. The language question in the sanjāq itself was solved by giving Arabic as well as Turkish an official status. For the rest, the texts which were adopted by the Council on the 29th May, 1937, gave effect, in non-contentious terms, to the outline of a settlement which had already been adopted by the Council, with the consent of Turkey and France, on the 27th January. The adoption of the Council's resolution of the 29th May was followed by speeches from MM. Delbos, Rüstü Aras, Eden and Litvinov in which the statesmen congratulated the League and one another and themselves upon the settlement of the controversy over the sanjāq of Alexandretta in the forum at Geneva.

The Geneva settlement had not, however, been reached without the aid of further direct negotiations between the French and Turkish Governments, and it was followed by local disturbances not only in the sanjāq but also in other parts of Syria.

Turkish feeling had flared up again on the 7th April in a bombardment of parliamentary questions with which the Minister for the Interior, Monsieur Shukru Kaya, was assailed in the Great National Assembly at Angora upon his return from a tour of inspection in the parts of Turkey adjoining the Turco-Syrian frontier. The Minister told the Assembly that the troops on the frontier had been reinforced, but at the same time he declared his belief in the good faith and good will of the French authorities in the mandated territory. Thereafter, the air was cleared, as between Turkey and France, by conversations at Angora between Monsieur Rüstü Aras and the French Ambassador Monsieur Ponsot, on the 24th April–11th May, and in Paris between Monsieur Ismet Inönü and MM. Delbos and Blum on the 8th May. And these explorations of the ground in the French and Turkish capitals, *pari passu* with the progress of the committee of experts'

labours at Geneva, no doubt contributed to the settlement which was eventually reached by the League Council on the 25th–29th May.

In the sanjāq of Alexandretta itself and in the rest of Syria the course of events was not so smooth. In the sanjāq, the first reports of the recommendations of the committee of experts evoked a general strike of the Arab element in the population on the 21st May. At Damascus, on the 26th, there were demonstrations in the Chamber on behalf of the sovereignty of Syria over the sanjāq and the right of the Arabic language to enjoy an official status there. At Antioch, on the 4th June, there was a riot between the local Arabs and Turks; and troops had to be called out to restore order. Similar disturbances, again necessitating the calling out of troops, followed at Alexandretta on the 5th; and on the 6th martial law was declared throughout the sanjāq. Meanwhile a general strike—in which Armenians as well as Arabs took part—had been organized in the rest of Syria by the Nationalist Bloc; and Syrian feeling was further excited by the announcement, which was broadcast by the Turkish wireless, that two divisions of Turkish troops had been sent to the frontier. On the 10th June there was a riot between 'chapiste' and 'tarbouchiste' Turks in the village of Karbyaz, on the border between the sanjāq and the adjoining Syrian territories. On the 17th June there was a strike of lorry-drivers in the sanjāq in protest against assaults which (as they complained) were being made upon them by the rural population in certain districts where the Genevan settlement was unpopular. At Antioch, in the second week in August, there was a fresh outbreak of rioting between Arabs and Turks, and once more French troops had to intervene.

These local disturbances, however, did not prevent the implementation of the settlement by the Governments. For example, on the 14th June, 1937, at Angora, the Turkish Great National Assembly ratified the Franco-Turkish treaty and agreement which had been provided for in the preliminary settlement of the 27th January and which had been duly signed on the 29th May. On the 25th June the President of the Syrian Republic arrived at Constantinople, accompanied by the Syrian Minister for Foreign Affairs; on the 27th, the two Syrian statesmen were joined by the French High Commissioner in the Levant, Monsieur de Martel; and on the same day these representatives of Syria and France had conversations on the subject of the sanjāq with the Turkish Prime Minister, Monsieur Inönü, and Acting Foreign Minister, Monsieur Menemencioglu. Next month, the French High Commissioner paid a visit to the sanjāq—passing through Alexandretta on the 12th and through Antioch on the

13th July—and made speeches calling for collaboration between the diverse local nationalities and expressing his expectation that Syria and Turkey would in future succeed in living in neighbourly relations with one another.

At the time of writing at the end of August 1937, there was no evident reason why this optimistic forecast should be disappointed.

(v) Sa'ūdī Arabia and her Neighbours

In the international relations between the peoples of the Islamic World in the year 1936 of the Christian Era, one of the most conspicuous movements was a tendency towards a *rapprochement* on both the cultural and the political plane between the Arabic-speaking successor states of the Ottoman Empire. This movement was gravitating round two poles, one negative and the other positive. The negative pole was the establishment of a Jewish national home in Palestine: an activity which, in Arab eyes, wore the appearance of a formidable alien encroachment upon the Jazīratu'l-'Arab instead of being hailed, as it was throughout Jewry and in most quarters of the Christian World, as the tardy return of exiles to a land where they had a right to be because it was the land of their forefathers. The positive pole of the movement towards Arab solidarity was the rise of the Sa'ūdī Power. The effect of the Jewish factor showed itself in the autumn of 1936, in the simultaneous diplomatic intervention of the three Arab Governments of Sa'ūdī Arabia, 'Irāq and Transjordan in the conflict between the Palestinian Arabs and the British Mandatory Power in Palestine, under whose aegis the Jewish national home was being established.[1] The effect of the Sa'ūdī factor made itself felt in the conclusion of the Sa'ūdī-'Irāqī treaty of the 2nd April, 1936, to which the Yaman adhered on the 29th April, 1937, and again in the conclusion of the Sa'ūdī-Egyptian treaty of the 7th May, 1936. The Palestinian conflict, including its repercussions in Arab countries beyond the borders of Palestine, is dealt with in this volume in another place.[2] The gravitation of the non-Sa'ūdī Arab states towards Sa'ūdī Arabia is the subject of the present chapter.

In 1936, King 'Abdu'l-'Azīz Āl-Sa'ūd was, to all appearance, in process of achieving the common Arab ambition of bringing together at least the ex-Ottoman part of the Arabic-speaking World. This had once been the dream of King Husayn b. 'Alī Āl-Hāshim; but the contrast between the primacy *inter pares*, which was being ungrudgingly accorded to Ibn Sa'ūd by his fellow Arab princes in 1936, and the

[1] See pp. 739–40, above.

[2] In section (ii) of this part.

lamentable downfall in which his Hāshimī rival's dream ended in 1924–5,[1] does not by itself convey the full extent of the moral and intellectual gulf between Husayn's folly and 'Abdu'l-'Azīz's statesmanship. To complete the picture, the historian must also compare Ibn Sa'ūd's initial handicaps with Husayn's initial advantages. Husayn was a scion of the noblest and most deeply venerated of all Arab families, whereas the House of Sa'ūd was an upstart dynasty which had thrust itself into prominence by embracing a puritanism which was obnoxious to non-Wahhābī Muslims. Husayn had started his career as the hereditary guardian of the two holy cities of the Islamic World (the *Haramayn*), while 'Abdu'l-'Azīz b. Sa'ūd had started his as a landless exile. Though both princes had enjoyed the British Government's patronage and *largesse*, King Husayn had received about a hundred times as much British gold, from first to last, as had been granted to Ibn Sa'ūd during and after the General War of 1914–18.[2] Finally, the House of Hāshim had been able to win the crowns of Transjordan and 'Irāq (in compensation for the loss of a Syrian crown in 1920[3] and of the Hijāzī crown itself in 1925)[4] by presenting itself as the champion of Arab liberty against Turkish imperialism, while Ibn Sa'ūd had been under the necessity of reconquering his ancestral dominions in Central Arabia by force of arms in fratricidal warfare between Arab and Arab. The arms on which Ibn Sa'ūd had found himself compelled to rely were those of his own Najdī compatriots, in whose natures the appetite of the badawī had been whetted by the fanaticism of the Wahhābī; and, in the process of rebuilding itself by the instrumentality of this turbulent 'man-power', the Sa'ūdī Empire had fallen foul of all the Arab principalities that had come within its range in the first stage of its career after its re-appearance in the Arabian arena. The violent collisions between Ibn Sa'ūd and the states of Jabal Shammar, Hijāz, Egypt, Kuwayt, 'Irāq, Transjordan, and the Yaman that accompanied Ibn Sa'ūd's rise from the morrow of the General War of 1914–18 down to the year 1934 have been recorded in previous volumes of this series.[5] In all but the last of these collisions, the Wahhābī Power was flagrantly the aggressor; and during the first decade after the close

[1] See the *Survey for 1925*, vol. i, Part III, section (v) (*c*). King Husayn died in exile in Cyprus on the 13th February, 1935.

[2] See *op. cit.*, p. 273.

[3] See the *History of the Peace Conference*, vol. vi, chapter i, Part III B.

[4] See the *Survey for 1925*, vol. i, Part III, section (v) (*c*).

[5] See the *Survey for 1925*, vol. i, Part III, sections (v) and (vi); the *Survey for 1928*, Part III B, sections (iii) and (v); the *Survey for 1930*, Part III, section (i); and the *Survey for 1934*, pp. 183–4, 306–8, 310–21.

of the General War of 1914–18 the perpetual forays of Ibn Sa'ūd's war-bands into the territories of their neighbours brought the ever expanding Sa'ūdī Empire into much the same odium in the Arab World as was incurred during the same years in the Latin-American World by the United States as the nemesis of a 'dollar diplomacy' supported by naval demonstrations and landing-parties of marines.

By contrast to this unpromising chapter of Sa'ūdī history, King 'Abdu'l-'Azīz had acquired by 1936, throughout the Arab World, a prestige and popularity which were comparable to the position which President Roosevelt had come to occupy in the imaginations and feelings of the Latin-American peoples on the evidence of the ovation which he received at Buenos Aires in the December of the same year.[1] And the personal achievement was even greater in the case of the Arab King than in that of the American President; for while the President could repudiate responsibility for the impolicy of his predecessors in office, the King who by 1936 had established his reputation for being a good neighbour was the self-same ruler in whose name Faysalu'd-Dawīsh, and other captains of the same cut, had raided and plundered and massacred the neighbours of Sa'ūdī Arabia in the nineteen-twenties. In the interval Ibn Sa'ūd had grappled with and accomplished two successive tasks. In the first place he had reduced his own unruly followers to order by providing means of subsistence for all of them who were willing to settle down to a sedentary agricultural life and then crushing a recalcitrant minority which had broken his peace and exhausted his patience.[2] In the second place he had demonstrated that, as soon as he had made himself master in his own house, he intended to use this mastery for achieving a reconciliation with his hitherto not unreasonably alienated neighbours. The opportunity for making this demonstration was offered and taken in the seven-weeks' war between Sa'ūdī Arabia and the Yaman which was fought in 1934;[3] for this was perhaps the first of Ibn Sa'ūd's wars in which he was the victim of aggression instead of being the perpetrator of it; and, in spite of the fact that the Imām Yahyā, who was Ibn Sa'ūd's adversary on this occasion, was only less exasperating in his behaviour than the late King Husayn of the Hijāz, the peace terms which the Wahhābī victor imposed in 1934 upon his defeated and discredited Zaydī opponent breathed a spirit

[1] See the present volume, p. 824, below.
[2] See the *Survey for 1928*, pp. 288 *seqq.*; the *Survey for 1930*, pp. 177–82; and the *Survey for 1934*, pp. 307–8, 313 *seqq.*
[3] See the *Survey for 1934*, Part II, section (xii).

of moderation and constructive statesmanship which set an example to the contemporary world beyond the limits of the broad domain of the Arabic language.[1]

The fruits of the Sa'ūdī-Yamanī peace treaty of the 20th May, 1934, were the diplomatic successes which Sa'ūdī Arabia achieved in 1936; and these achievements were the culmination of a number of preparatory steps.

On the 13th January, 1935, for example, Ibn Sa'ūd displayed both his clemency and his strength in a single gesture by promulgating a decree of amnesty in favour of political exiles from his dominions.[2] On the 12th February of the same year, at Jiddah, a Sa'ūdī-'Irāqī provisional agreement was signed for the reconditioning and maintenance of the pilgrim roads between the two countries and for the regulation of the pilgrim traffic—an agreement which announced the opening of a new era in a borderland where, in the recent past, the only wayfarers had been either raiders or fugitives. On the 14th August, 1935, the Heir Apparent to the Sa'ūdī throne, who was then on his way back to Arabia from a progress through Europe, arrived in Jerusalem from Egypt and was received with enthusiasm by the Palestinian Arabs. On the 19th October, 1935, King 'Abdu'l-'Azīz himself established a personal link with the badu of the North Arabian Steppe within the borders of Syria by contracting (by proxy, at the Sa'ūdī Consulate in Damascus) a marriage with the granddaughter of Shaykh Nūrī Sha'lān of the Ruwalā 'Anazah;[3] and in the following year another lady of the same house was married, at Riyād, by the Sa'ūdī Heir Apparent. In November 1935 it was reported that Anglo-Sa'ūdī negotiations had been opened at Riyād, between the Sa'ūdī Government and the British Minister at Jiddah, Sir Andrew Ryan, for the settlement of outstanding questions between Sa'ūdī Arabia and the British Empire; and on the 23rd November, at Mecca, it was announced that, in execution of Article 4 of the Sa'ūdī-Yamanī peace treaty of the 20th May, 1934,[4] two mixed commissions had been appointed to delimit, on the ground, the frontiers established by the treaty between Sa'ūdī Arabia and the Yaman. These commissions had completed their work before the end of February 1936.

Meanwhile, in January 1936, a trade and transit agreement between

[1] *Op. cit.*, pp. 318–20.

[2] Text, translated from *Ummu'l-Qurā* of Mecca, 25th January, 1935, in *Oriente Moderno*, February 1935, p. 95.

[3] For Nūrī Sha'lān's own relations with Ibn Sa'ūd in the preceding chapter of Arabian history, see the *Survey for 1925*, vol. i, pp. 337–9 and 344.

[4] See the *Survey for 1934*, p. 320.

Sa'ūdī Arabia and Bahrayn[1] was concluded between the Sa'ūdī Government and the British Government on the Shaykh of Bahrayn's behalf. On the 26th of the same month, Ibn Sa'ūd left Riyād to pay a state visit to Kuwayt, and received an enthusiastic welcome in an Arab city in which he had found asylum as a boy[2] before he had set out in 1901 to recover the kingdom of his forefathers. This reception was noteworthy, because Ibn Sa'ūd's relations with Kuwayt had not always been so happy throughout the intervening thirty-five years. The raids into Kuwaytī territory which had been made by Ibn Sa'ūd's contumacious warriors, without their master's approval, in the nineteen-twenties,[3] had not been a source of such serious misunderstanding between the Sa'ūdī Empire and the Kuwaytī city-state as a subsequent conflict over the flow of trade. In the past, Kuwayt had succeeded in making herself an emporium for a vast hinterland extending not only into the Najd but also into 'Irāq and even into Persia. The secret of her success had been partly a policy of keeping her tariffs attractively low by comparison with those of her neighbours, and partly the unsettled state of the hinterland, which had saved Kuwayt from being ringed round by a foreign customs cordon. This fate had, however, overtaken Kuwayt in the post-war period as her three great neighbours—Sa'ūdī Arabia, 'Irāq and Persia—began to rise to higher standards of administrative efficiency and to use their enhanced control over their own affairs for the pursuit of a policy of economic nationalism. A determined effort, on the part of Sa'ūdī Arabia to divert that portion of her trade which had formerly passed through Kuwayt to a newly developed Sa'ūdī port at 'Uqayr had precipitated a trade-war between the two states in which the Sa'ūdī Government had resorted to the extreme measure of forbidding their subjects to have commercial dealings with Kuwayt; and an attempt on the Kuwaytīs' part to recoup their commercial losses in their Sa'ūdian hinterland by expanding their contraband trade with 'Irāq and Persia had moved these two other Powers in their turn to take effective counter-measures. Finding himself thus hemmed in on every side, and his people faced with ruin, the Shaykh of Kuwayt had repaired to Riyād in 1934 in order to negotiate for commercial peace with the neighbour whose measures of economic coercion had hit Kuwayt the hardest. On this occasion

[1] Terms in *Oriente Moderno*, January 1936, p. 78.

[2] On his arrival in Kuwayt in 1936, one of Ibn Sa'ūd's first acts was to pay his respects to the master from whom, as a boy, he had received his instruction in the Qur'ān.

[3] See the *Survey for 1928*, pp. 300, 302–3; the *Survey for 1930*, pp. 180, 181.

the ruler of Kuwayt had been received by Ibn Sa'ūd with unhoped-for honour and consideration; and the negotiations for the resumption of trade and of the pilgrim traffic, which had been opened then and there, appear to have been successfully completed in principle at Kuwayt during Ibn Sa'ūd's visit to that city in January 1936.[1] A new Sa'ūdī-Kuwaytī commercial treaty was reported at the end of April to be under negotiation.

This restoration of economic peace between Kuwayt and Sa'ūdī Arabia seemed likely to entail political consequences; for Kuwayt had never been politically strong enough 'to stand by herself under the strenuous conditions of the modern World'. In the preceding chapter of her history, her commercial prosperity had been built up under the aegis of the British-Indian Government, with which the Shaykh of Kuwayt had been in treaty-relations since 1899. In 1936 the trade of Kuwayt still remained dependent on the Pax Britannica that was maintained in the Persian Gulf by British sea-power; but it had now been proved that Kuwayt could not flourish on British naval protection alone without also enjoying the good will of the military master of Arabia; and it looked as if the result of this discovery would be a partial transfer, at least *de facto*, of the political control over Kuwayt from British to Sa'ūdī hands.

Before leaving Kuwayt on the 7th February, 1936, Ibn Sa'ūd received a visit there from one of his secretaries, Yūsuf Yāsīn, who had arrived at Baghdad on the 20th January at the head of a Sa'ūdī delegation for the purpose of negotiating a Sa'ūdī-'Irāqī treaty. At Kuwayt Yūsuf Yāsīn reported progress and obtained Ibn Sa'ūd's approval for the results of the negotiations up to date. He then returned at once to Baghdad, where the treaty was duly signed on the 2nd April.

One of the most striking features of this Sa'ūdī-'Irāqī 'Treaty of Arab Brotherhood and Alliance'[2] was the extent to which it was modelled on the Sa'ūdī-Yamanī 'Treaty of Islamic Friendship and Arab Brotherhood' of the 20th May, 1934; and there could be no more cogent testimony to the moderation which had been shown on that occasion by the victor in formulating his terms of peace than the reappearance of so many of these terms in a freely negotiated treaty of alliance between two states which had not been at war

[1] The foregoing account of this episode in the history of the relations between Sa'ūdī Arabia and Kuwayt is taken from a résumé, in *Oriente Moderno*, March 1936, of an article from a correspondent in Bombay which was published in *Al-Balagh* of Cairo on the 25th February, 1936.

[2] The text was published in the *'Irāq Government Gazette* of the 10th May, 1936. It will be published in *Documents on International Affairs, 1937*.

with one another and which were not differentiated by the invidious distinction between victor and vanquished.[1]

The Sa'ūdī-'Irāqī treaty of the 2nd April, 1936, provided for the peaceful settlement of disputes between the two contracting parties themselves (Article 2) and for concerted action in dealing with a third party. Neither contracting party was to enter into an agreement with a third party that would be damaging to the other contracting party's interests (Article 1a); and both contracting parties were to work together for the peaceful settlement of any dispute between either of them and a third party (Article 3). In case either contracting party were to fall a victim to aggression (which was defined in the treaty both positively and negatively) the two were 'to consult together concerning the nature of the measures to be taken with the object of combining their forces in ways calculated to repulse the aggression' (Article 4). In the event of internal disturbances in either country, the Government of the other country was to help the sister Government in various ways, some passive and others active (Article 5). There was to be an exchange of missions, scientific as well as military, for the unification, not merely of the military systems of the two contracting parties, but also of the Arab Islamic culture (Article 7). Either party undertook to place its diplomatic missions at the other party's disposal in countries where the other party was not represented (Article 8). In case either contracting party committed an act of aggression against a third party, the other party was to be at liberty to denounce the present treaty of alliance without notice (Article 10). 'Irāq's obligations under the League Covenant and the Kellogg-Briand Pact and the Anglo-'Irāqī treaty of the 30th June, 1930, were reserved (Article 9); and six existing agreements between 'Irāq and Sa'ūdī Arabia were to remain in force except in so far as they might be incompatible with the terms of the new instrument (Article 11).

One of the most significant undertakings of this Sa'ūdī-'Irāqī

[1] The articles of the Sa'ūdī-Yamanī treaty which correspond most closely to articles of the Sa'ūdī-'Irāqī treaty are the following:

Sa'ūdī-Yamanī Treaty	*Sa'ūdī-'Irāqī Treaty*
Art. 8	Art. 2
Art. 15	Art. 1 (*a*)
Art. 18	Art. 5
Art. 20	Art. 8

Article 17 of the Sa'ūdī-Yamanī treaty, which corresponds to Articles 3 and 4 of the Sa'ūdī-'Irāqī treaty, provides for consultation in the event of aggression by a third party, but gives no definition of aggression and stipulates that the country which has not been attacked shall maintain complete neutrality, at the same time affording all possible moral assistance to the other.

treaty was that, 'in consideration of the Islamic brotherhood and Arab union which' bound 'the Kingdom of the Yaman to the two High Contracting Parties, both of them' would 'work to obtain the adhesion of the Yamanī Government to the present treaty; and' that 'any other independent Arab state' would 'be allowed to apply for permission to adhere' (Article 6). After a characteristic procrastination the Imām Yahyā finally adhered on the 29th April, 1937.[1]

During the month of April 1936 Ibn Sa'ūd was engaged in forging another link in his chain-mail of Arab solidarity by negotiating a treaty of friendship with a third Arab state which was at that time on the verge of converting a qualified into an absolute independence.[2] For nearly ten years—ever since the shooting incident in connexion with the despatch of the Egyptian Mahmal to the Hijāz under the Wahhābī régime in June 1926[3]—there had been no official diplomatic relations between Sa'ūdī Arabia and Egypt; but on the 7th April, 1936, five days after the signature of the Sa'ūdī-'Irāqī treaty at Baghdad, the Prime Minister of Egypt telegraphed to the Sa'ūdī Minister for Foreign Affairs inviting him to send a representative to Egypt to negotiate a Sa'ūdī-Egyptian treaty. The invitation was at once accepted; Shaykh Fu'ād Hamzah duly arrived at Cairo for this purpose on the 15th April; and a treaty was signed in the Egyptian capital on the 7th May.[4] This treaty began (Article 1) by recording the Egyptian Government's recognition of Sa'ūdī Arabia's complete sovereignty and independence, and by providing for the establishment of diplomatic and consular relations between the two contracting parties (Article 3). It also contained (Article 4) a Sa'ūdī guarantee for the proper treatment of Egyptian pilgrims in Sa'ūdī territory; and it secured to the Egyptian Government the privilege of keeping the two mosques of Mecca and Medina in repair (Article 5). The vexed question of the Mahmal was disposed of by being ignored. In July 1936, it was announced that the Sa'ūdī Government had decided to send thirty-three students to Egypt at the public expense for training in a number of different faculties.

[1] The text of the Yamanī declaration of adherence will be found in *Oriente Moderno*, June 1937. The Imām Yahyā seems to have been quicker to make up his mind that cultural co-operation between the Yaman and other Arab countries was desirable. As early as the beginning of January 1936 he was reported to be thinking of borrowing administrators and professors from 'Irāq, and in April 1936 it was reported that he had decided to send fifty Yamanī students to 'Irāq.

[2] See section (i) of this part of the present volume.

[3] See the *Survey for 1925*, vol. i, p. 319.

[4] Text in *Oriente Moderno*, June 1936. It will be printed in *Documents on International Affairs, 1937*.

The Sa'ūdī-Egyptian and Sa'ūdī-'Irāqī treaties of 1936 promised to be effective and lasting because in both cases either party had something of value to give to the other. The Sa'ūdī assets which had value for Arab associates of the Sa'ūdī Power were the central position of Sa'ūdī Arabia in the Middle Eastern part of the Arab World (a position which marked out this state as the natural geographical nucleus for any Arab *entente* or union); her military strength (which consisted in the difficulty which her *terrain* would present to an invader, as well as in the fighting qualities of the Wahhābī warriors); and her prestige as a country which shared with the Yaman the glory of being the historic cradle of the Arab race. These military and political assets of Sa'ūdī Arabia were counterbalanced, however, by her poverty and her backwardness; and it was here, in the economic and technical and cultural fields, that she also stood to gain from an association with neighbouring Arab states to whom she had something to give in the military and political spheres. Apart from the despatch recorded above, of Sa'ūdī Arabian students to Egypt, it seemed likely that, in the execution of Articles 7 and 8 of the Sa'ūdī-'Irāqī treaty, which were reciprocal in form, it would in fact be 'Irāq that would give and Sa'ūdī Arabia that would receive. Thus the Arab World as a whole was likely to profit by the *rapprochement* between the Sa'ūdī Power and the less formidable but more cultivated neighbouring Arab states with which it was now entering into partnership; and the genuine two-sidedness of these new relations was of good augury for their permanence inasmuch as it provided a certain guarantee that a close union would not be just a screen for a Sa'ūdī hegemony which might be first resented and then shaken off.

The *rapprochement* between the four already independent Arab states of large calibre in the Middle East—Sa'ūdī Arabia, Egypt, the Yaman and 'Irāq—was not without effect upon the Arab subjects of the so-called 'Gulf Chiefs': a string of petty Arab principalities along the Arabian shores of the Persian Gulf, from Kuwayt to 'Umān[1]

[1] The list of the Trucial Chiefs in 1936 consisted of the Shaykhs of Abu Dhabi, Ajman, Dibai, Rasu'l Khaymah, Shārjah and Ummu'l Qawayn. In addition to her control over these six chiefs of the Trucial Coast, Great Britain had negotiated treaties with the Shaykh of Bahrayn (see the *Survey for 1934*, p. 222), and exercised an informal protectorate over the Shaykh of Qatar, relations with whom were regulated by a treaty of the 3rd November, 1916. The Sultanate of 'Umān had been in direct treaty relations with the British Government in India since 1798, and in 1891 the reigning Sultan had entered into a binding agreement which subjected the external relations of the ruling dynasty to exclusive British control. An agreement of a similar nature was signed between the Sultan of Kuwayt and the Government of India in 1899; the Sultan received a subsidy and accepted the presence of a British political agent at his court.

inclusive, whose 'independence' (in a technical usage of the word) was recognized in treaties with the British Government which placed in the British contracting party's hands the control over the Arab contracting party's foreign relations.

The British lien upon the foreign policy of the Gulf Chiefs, which had been established gradually in the course of the preceding hundred years, had recently become a more important British interest than ever before owing to two new factors in the situation: the invention of flying and the self-assertion of Persia. The invention of flying had transformed the Persian Gulf from a maritime cul-de-sac into an aerial through-route between Europe and the East; the political rehabilitation of Persia under the auspices of Rizā Shāh Pahlawī had declared itself in a restriction of British influence on the Persian side of the Gulf,[1] and particularly in a persistent obstruction,[2] on the Persian Government's part, of British attempts to carry the air-route between Great Britain and India along the Persian shore of the Gulf in the section between Basrah and Karachi. In these circumstances, the British Imperial Airways Company, in agreement with the British Government, had taken the line of lesser resistance and had transferred its aerodromes in 1932 from Persian territory to a number of points in the territories of certain of the Gulf Chiefs, on the reckoning that these Arabian *points d'appui* were securely and permanently at Great Britain's command. The Gulf Chiefs themselves might indeed have been disposed to acquiesce in the perpetuation of a status which gave them a British guarantee for their retention of their thrones. Their subjects, however, were now beginning to be affected by the Western concept of nationality which had long since captivated the Arabic-speaking peoples of 'Irāq, Syria (including Palestine) and Egypt; and the rising generation in the dominions of the Gulf Chiefs was coming to resent a traditional régime which might be accused of ignoring the claims of Arab nationalism for the convenience of the local princes and of the British Empire. The economic pull which was being exerted upon Kuwayt by Sa'ūdī Arabia has been noticed above;[3] and on the cultural plane Kuwaytī and Bahraynī eyes were beginning to turn towards 'Irāqī schools, while on the political plane some voices were now being raised in

[1] For the re-assertion in 1924 of effective Persian sovereignty over the Arab principality of Muhammarah, which had become a virtual British protectorate without ever ceasing to remain officially an integral part of Persia, see the *Survey for 1925*, vol. i, pp. 539–43. For the unsuccessful Persian attempt to assert a claim to suzerainty over Bahrayn, see the *Survey for 1934*, Part II, section (iv).

[2] See the *Survey for 1928*, pp. 351–4.

[3] See pp. 787–8.

favour of union with one or other of the larger Arab Kingdoms round about. The Shaykh of Bahrayn paid a visit to Baghdad in March 1936, and it was suggested that representative groups of young people from both Bahrayn and Kuwayt should follow his example. It was also suggested that the Gulf Chiefs might apply for permission to adhere to the Arab Pact, as the Sa'ūdī-'Irāqī treaty of the 2nd April, 1936, was coming to be called. In August 1936 it was reported that the Shaykh of Bahrayn, who had just returned home from a visit to London, had decided, at the British Government's instance, to invite all his fellow Gulf Chiefs to attend a conference in Bahrayn for the purpose of establishing an economic and political union between them which would enable them to act as a single independent Arab state *vis-à-vis* the rest of the World. If this report was correct, it gave evidence of a statesmanlike endeavour, on the British Government's part, to satisfy the Arab national aspirations of the Gulf Chiefs' subjects without any breaking of the treaty-relations which bound the Chiefs themselves to the British Empire.

At the time of writing in December 1936 it was still impossible to foretell whether the movement towards Arab unity round a Sa'ūdī rallying-point would be satisfied by an enlargement of the Sa'ūdī-'Irāqī treaty of the 2nd April, 1936, into a multilateral treaty linking together all the Arab countries of the Middle East, or whether a loose association would be merely a prelude to some form of closer union. The answer to this question seemed likely to be determined by the course of events in Palestine interacting with the course of events in Europe.

(vi) The Controversies over the Frontier between Īrān (Persia) on the one side and Turkey and 'Irāq on the other; and the Four-Power Middle Eastern Pact of the 8th July, 1937.

Since the days of Ismā'īl Shāh Safawī (*imperabat* A.D. 1499/1500–24) and Selīm Pādishāh 'Osmanlī (*imperabat* A.D. 1512–20), the border between the Īrānī and Ottoman Empires had been frequently the cause of wars, and almost uninterrmittently the subject of disputes, between the two parties;[1] and the *de facto* frontier, which for much of the time was no more than a military front, had oscillated between limits so wide apart that the whole of 'Irāq and a large part of Kurdistan had fallen within the zone of debatable territory.[2]

[1] See A. J. Toynbee, *A Study of History*, vol. i (London, 1934, Milford), pp. 347–402.

[2] See S. H. Longrigg, *Four Centuries of Modern 'Irāq* (Oxford, 1926, Clarendon Press), *passim*.

From a date about half-way through the seventeenth century of the Christian Era, however, the frontier had settled down—without ever coming to be defined beyond dispute—along a line which partitioned Kurdistan between the two parties while leaving the whole of 'Irāq on the Ottoman side. This relatively stable but still disputed frontier between Īrān and the Ottoman Empire became a frontier between Īrān on the one hand and the Republic of Turkey and the Kingdom of 'Irāq on the other hand as a result of the General War of 1914–18, in which the Ottoman Empire broke up into these and other successor states. This change of régime on the non-Iranian side of the line supplied new parties to old boundary disputes without putting an end to the disputes themselves; and the post-war controversies and conflicts in which Īrān came to be engaged with Turkey and with 'Irāq respectively have been noticed in previous volumes in this series.[1] The juridical position was illuminated or obscured, according to the opposing points of view of the disputants, by diplomatic instruments, some of them of considerable age, the validity of which was alternately asserted and denied by the parties according to their momentary convenience. As between Īrān and Turkey, a settlement was eventually reached through a common consent to ignore this contentious juridical inheritance from the past; and the Turco-Persian frontier was defined *de novo* in an agreement which was signed at Tihrān on the 23rd January, 1932;[2] was approved by the Iranian Majlis on the 26th May and by the Turkish Great National Assembly on the 18th June, 1932; and was brought into force by an exchange of ratifications on the 5th November of that year.[3] The corresponding territorial controversies between Īrān and 'Irāq were not settled either so simply or so quickly. In this case, the incidents and exchanges of views which have been recorded in previous volumes did not resolve themselves in a direct agreement until after they had culminated in an appeal by the 'Irāqī Government to the League of Nations.

This appeal took the form of a request under Article 11, paragraph 2,

[1] For frontier incidents and disputes between Īrān and Turkey see the *Survey for 1928*, pp. 372–4, and the *Survey for 1934*, pp. 220–1. For Īrānī-'Irāqī disputes see the *Survey for 1928*, pp. 342–5; the *Survey for 1930*, pp. 329–30, 330–1; and the *Survey for 1934*, pp. 128–9, 184–9.

[2] The text will be found in *League of Nations Official Journal*, February 1935, pp. 237–9.

[3] The basis of the Turco-Persian agreement of the 23rd January, 1932, was an exchange of territories in which Īrān ceded to Turkey, in return for the receipt of equivalent parcels of Turkish territory in other sectors, the mountain called the Little Ararat, the possession of which had long been coveted by the Turkish Government because it had served as an asylum on Iranian territory for Kurdish 'brigands' or 'patriots' who, with this inviolable fastness at their command, had been able to operate in Turkey with impunity.

of the Covenant, which was presented, in a letter of the 29th November, 1934,[1] from the 'Irāqī Minister for Foreign Affairs to the Secretary-General of the League. The request was made on the ground that the law was on the side of 'Irāq but that nevertheless the Iranian Government had been perpetually committing acts of aggression while at the same time perpetually rejecting 'Irāqī proposals for a pacific settlement by direct dealing between the two parties. In an appendix to their letter,[2] the 'Irāqī Government gave their own account of 'some of the more flagrant acts of aggression' of which, in their view, the Iranian Government were guilty. Under this head they drew the attention of the League to four territorial disputes: a dispute regarding the sovereignty over the waters of the Shattu'l-'Arab; a dispute regarding the alleged erection of Iranian police-posts on 'Irāqī territory; a dispute regarding the ownership of a parcel of land which was contested between the 'Irāqī village of Binawah Sutah and the Iranian village of Bayawah; and a dispute (which recalled the classical quarrel between the Ancient Greek city-states of Tegea and Mantinea) over the disposal of the waters of the Gunjan Cham River. Of these four cases, the last three were trivial and the first serious.

At the moment when the 'Irāqī Government appealed to Geneva, the whole of the waters of the Shattu'l-'Arab, from shore to shore, were under the 'Irāqī Government's control *de facto*—and, in their view, also *de jure*—and this control was not a recent innovation but was part of the territorial patrimony which 'Irāq had inherited from its predecessor, the Ottoman Empire. On the other hand, the Iranian Government maintained that there was no provision in any valid international diplomatic instrument to which Iran was a party, and no ground in equity, and no necessity in the local hydrographical and topographical circumstances, to suggest that the case of the Shattu'l-'Arab was not covered by the current principle of international law, according to which the frontier between two states which were sovereigns over the opposite banks of a river, was deemed to follow the median line (or *Talweg*, as it was called in the technical language of diplomacy) of the intervening waterway.

After maintaining this claim on paper, the Iranian Government had proceeded to assert it on the spot, by act and deed, in a fashion which was described in the following uncomplimentary terms in the 'Irāqī Government's memorandum on the subject.[3]

On the 9th November, 1932, two sloops and four gunboats recently

[1] Text in *League of Nations Official Journal*, February 1935, pp. 196–7.
[2] Appendix III (text in *op. cit.*, February 1935, pp. 208–15).
[3] *Op. cit.*, p. 208.

acquired for the Persian Navy entered the Shattu'l-'Arab and proceeded up stream to Muhammarah. Previously to this date the 'Irāqī Government had at various times had occasion to complain to the Persian Government of violations of the 'Irāqī sovereignty in the Shattu'l-'Arab by its agents in the departments of Customs and Police, when they were reported to be patrolling the river, interfering with country craft, &c. Complaints were generally met with denials or allegations that the incidents complained of had occurred in 'Persian waters' or the 'Persian waters of the Shattu'l-'Arab'. From the date of the arrival of the Persian war-vessels, however, it became clear that the Persian officers were acting under orders to disregard the rules and by-laws of the Port of Basrah, and to flout the authority of the Directorate by entering the dredged Rooka Channel, which is open to one-way traffic only, without ascertaining from the control officer that the channel was clear, by ignoring the signals of the control officer and other competent authorities, by anchoring in the prohibited area and showing great reluctance to move when requested to do so, by steaming at excessive speeds and by similar breaches of the rules. Apart from the legal irregularity of these proceedings, the rash seamanship of the Persian officers is highly objectionable for other reasons: it has caused at least one serious grounding; on several occasions collisions have been narrowly averted; the dredged channel is constantly in jeopardy; a collision involving an outward-bound tanker carrying dangerous oils might have the most serious consequences; any blocking of the river would bring to a standstill the whole sea-borne trade of 'Irāq (the Shattu'l-'Arab constituting 'Irāq's sole channel of access to the sea), not to mention the oil trade of Persia itself. It has been found necessary to institute, at considerable expense, wireless watches on all port vessels and wireless stations in order that timely warning of the approach of Persian ships may be passed on and a wide berth be given to them. In the course of an informal interview on the 19th March, 1933, the Persian Senior Naval Officer stated to the Port Director that Persia did not recognize the sovereignty of 'Irāq over the whole of the Shattu'l-'Arab or the Basrah Port Administration, and that therefore he could not comply with its rules.

The 'Irāqī protest against the Iranian claim which was alleged to have been asserted in this unceremoniously practical way was based on equity as well as on treaty-right.

The 'Irāqī view on the former of these two aspects of the case was presented as follows in the opening speech of the 'Irāqī representative, Nūrī Pasha Sa'īd, before the League Council at Geneva on the 14th January, 1935:

On the general question of equity, the 'Irāqī Government feels that it is 'Irāq and not Persia that has grounds for complaint. Persia has a coast-line of almost two thousand kilometres, with many ports and anchorages. In the Khūr Mūsā, only 50 kilometres away to the east of the Shattu'l-'Arab, Persia possesses a deep water harbour penetrating far into Persian territory, where she has already constructed the

terminus of the Trans-Persian Railway. 'Irāq is essentially the land of the two rivers, Euphrates and Tigris. The Shattu'l-'Arab, formed by their junction, constitutes 'Irāq's only access to the sea; it requires constant attention if it is to be kept fit for navigation by modern shipping, and Basrah, 100 kilometres from the mouth, is 'Irāq's only port. It is highly undesirable, from 'Irāq's point of view, that another Power should command this channel from one bank. 'Irāq is not asking that the frontier should be altered, but I make these remarks to show that this is not because the existing line is unduly to its advantage.

It will be seen that 'Irāq's plea in equity in regard to the control of the Shatt was not unlike Belgium's plea in regard to the control of the estuary of the Scheldt;[1] and while in this case, as in that, the scope of equity was limited by the existence of diplomatic instruments, covering the case in point, which would override the claims of equity supposing that they were valid, the 'Irāqī Government contended that treaty-right, as well as equity, was on their side.

On this juridical plane, the 'Irāqī Government pointed out that the whole of the waters of the Shatt had been assigned to the Ottoman Empire by a quadripartite Ottoman-Persian-Russian-British Delimitation Commission in 1914, and that this Commission had been executing the terms of a protocol which had been signed by representatives of the same four Powers at Constantinople on the 4th (17th) November, 1913. The protocol had laid down that the Perso-Ottoman frontier should follow the *Talweg* of the Khayyin Canal to its junction with the Shattu'l-'Arab and that, from the frontier of the Nahr Nazaylah with the Shatt, the frontier should 'follow the course of the Shattu'l-'Arab as far as the sea, leaving under Ottoman sovereignty the river and all the islands therein, subject to' certain 'conditions and exceptions'. Five such conditions and exceptions were mentioned, of which the two most pertinent were, first, that certain designated islands should belong to Persia, and second that

> The modern port and anchorage of Muhammarah, above and below the junction of the river Kārūn with the Shattu'l-'Arab, shall remain within Persian jurisdiction in conformity with the Treaty of Erzerum; the Ottoman right of usage of this part of the river shall not, however, be affected thereby, nor shall Persian jurisdiction extend to the parts of the river outside the anchorage.

The Constantinople protocol of the 17th November, 1913, which contained these stipulations, had been derived from a Tihrān protocol of the 21st December, 1911; for this antecedent diplomatic instrument had generated the four-Power Joint Commission which drew

[1] See the *Survey for 1920–3*, pp. 65, 66–7, and the *Survey for 1925*, vol. ii, pp. 167–72.

the Constantinople protocol up. The Tihrān protocol had stipulated that the work of the Joint Commission which was the child of the Tihrān protocol and the parent of the Constantinople protocol should 'be based on the clauses of the Treaty known as the Treaty of Erzerum, concluded in [A.H.] 1263 [A.D. 1847]'. And this Perso-Ottoman treaty, which was the ultimate authority for all the subsequent agreements and arrangements, was not a simple document; for, in addition to the nine articles which were duly signed by both the two contracting parties on the 31st May, 1847, there were four riders: first an explanatory note, addressed to the Ottoman Government by the British and Russian Ambassadors at Constantinople on the 26th April, 1847, which interpreted certain stipulations of the (then still unsigned) treaty to the satisfaction of the Sublime Porte; second, an acceptance of this Anglo-Russian note by the Ottoman Government on the 29th Jemāzīyu'l-Evvel, A.H. 1263; third, a corresponding acceptance, dated the 31st January, 1848, on the part of a Persian envoy who had been sent to Constantinople to effect an exchange of ratifications of the treaty; and, fourth, a reiterated Persian acceptance of the Anglo-Russian note of the 26th April, 1847, which was contained in a declaration, made on the 15th August, 1912, by the Persian delegation on the four-Power Commission which was at that time in session at Constantinople.

This second Persian acceptance had been asked for by the other parties because the previous acceptance, by the act of the Persian envoy at Constantinople on the 31st January, 1848, had been repudiated by the Persian Government of the day on the ground that their representative had acted *ultra vires*. This question of the validity of the Anglo-Russian note of the 26th April, 1847, as a rider to the Erzerum Treaty had an important bearing upon the controversy regarding the sovereignty over the waters of the Shatt, because the stipulation in the Constantinople protocol of the 17th November, 1913, which has been quoted above, was grounded upon the terms of the nine articles of the 31st May, 1847, read together with the note of the 26th April, 1847, and the Ottoman Government, for their part, had only signed and ratified the nine articles

> on the understanding that the Court of Persia will accept the assurances which have been given by the Representatives of the two Mediating Courts to the effect that it will raise no claim going counter to those assurances, and on the further understanding that, in the event of any such claim being raised, the treaty will be deemed to be null and void.[1]

The 'Irāqī Government contended that the several diplomatic

[1] Ottoman note of the 29th Jemāzīyu'l-Evvel, A.H. 1263.

instruments above-mentioned constituted, between them, a valid juridical basis for that Government's exercise of sovereignty *de facto* over the whole of the waters of the Shatt. On the other hand the Iranian Government did their best to unravel the web of legality which had been so laboriously knitted by their 'Irāqī opponents. They maintained that both the terms of the Persian envoy's note of the 31st January, 1848, and the fact that it was subsequently repudiated by the Persian Government, entailed the consequence that the Erzerum Treaty itself, 'which was to be "accepted signed and ratified" (Article 9) was . . . ratified without having been accepted'. And they went on to argue that, 'since the acceptance of the explanatory note was the essential condition of the establishment of the contract, which would otherwise be "null and void" according to the Ottoman declaration, that instrument, on which the Royal Government now' sought 'to base its case', was, as was stated in the Ottoman note, 'null and void'.[1] Having thus picked the Erzerum Treaty to pieces, the Iranian Government set themselves to demolish the later instruments which derived from the Erzerum Treaty, and from it alone, all the validity that they could claim to possess. The conclusion which the Iranian Government submitted to the League Council was

> that the 1913 Protocol and the 1914 delimitation relied on by the 'Irāqī Government must be deliberately rejected. They must be rejected (1) because they take as starting-point a treaty which was itself non-existent at the time when the Tihrān Agreement of 1911 referred to it; (2) because, in concluding the 1913 Protocol, which already gravely departs from the provisions and stipulations of the Tihrān Agreement of 1911, providing for arbitration in case of disagreement, all the rules of the mediation procedure, the main features of which had just been fixed at The Hague in agreements signed by all the Parties, were openly disregarded; (3) because, on the pretext of a treaty between Persia and the Ottoman Empire, an agreement was in reality concluded between Great Britain and Russia, accompanied on the Shattu'l-'Arab by a direct agreement concluded in London between Great Britain and the Sublime Porte and by the improper conclusion of a bilateral understanding in the British capital in the middle of negotiations which were to take place at Constantinople between all the Parties; (4) because, lastly, one of the Parties, the Ottoman Empire, immediately failed to carry out, in a great many respects, the Act of 1913 fixing the frontier—a failure which, even if partial, involved the total lapse of the Act owing to its indivisible character.[2]

[1] Reply to the request of the 'Irāqī Government submitted to the League of Nations, transmitted to the Secretary-General of the League of Nations under cover of a letter from the Iranian Government dated the 8th January, 1935. (*League of Nations Official Journal*, February 1935, p. 217.)

[2] *Op. cit.*, p. 220.

The argument of the Iranian memorandum which is summarized in this passage was reinforced in the *exposé* of the Iranian case which was made by the Iranian representative at Geneva on the 15th January, 1935. On this occasion, Mirza Sayyid Bāqir Khan Kāzimī enlarged upon the third of the four points set out in the memorandum, and at the same time argued that even if (contrary to his Government's contention) the Erzerum Treaty had been valid, it would not have afforded any legitimate basis for the structure which had been erected upon it in the protocol of 1913.

> The Treaty of Erzerum does not say a word about giving to the Porte the whole of the Shattu'l-'Arab, in full sovereignty, as far as low-water mark on the Persian bank. It does not fix in direct, clear, and categorical terms the frontier on the bank beyond the waters of the river; yet this should have been made quite explicit, in absolute and formal terms, if the intention were to depart from the fundamental principle of the equal sovereignty of the two riparians as far as the middle of the river. On the other hand, after having been careful to conclude with the Porte on the same day a Convention which in practice placed the administration of the river under her authority, although she was not a riparian, Great Britain did not hesitate, by a declaration dated the 29th July, 1913, to remove the frontier expressly to the further bank. This declaration, for which she undertook to secure the acceptance of Persia, which, in this matter, was not a free agent, was simply introduced into the Constantinople Protocol, of which it formed the essential text as regards the southern frontier.

After the hearing by the League Council of the 'Irāqī and the Iranian case on the 14th and 15th January, 1935, respectively, Monsieur Litvinov and Mr. Eden and Monsieur Rüstü Aras made declarations of their Governments' neutrality in the present dispute, in view of the fact that the Russian, British and Turkish Governments had been parties to the diplomatic instruments which were germane to the juridical issue between the two disputants. At the meeting on the 14th, the Italian representative on the Council had consented to act as *rapporteur*, but his efforts to bring the two parties together led to no immediate result. In the course of a statement made before the Council on the 21st by Nūrī Pasha Sa'īd, the representative of 'Irāq proposed that 'the question in dispute should be referred to the Permanent Court of International Justice for an advisory opinion'.[1] This 'Irāqī offer was not accepted by the Iranian Government. In January 1936, however, the case was removed, at the request of 'Irāq, from the agenda of a forthcoming meeting of the Council at which it was to have come up again; and this gesture was repeated in September (in a letter of the 11th of that month from the

[1] *Op. cit.*, p. 190.

'Irāqī Government, with the concurrence of the Iranian Government in a letter of the 15th) and again in May 1937.

This was a notable turn for the better in the relations between two neighbours who had never previously been on good terms. Before the year 1936 'Irāq, on her side, had been inclined to press, with all the zest of a newly acquired nationhood, the claims against Īrān which she had inherited from the Ottoman Empire, while Iran, for her part, had perhaps been stiffer in maintaining her own claims against a successor state which she regarded as a parvenue than she might have been if her neighbour in the Shatt had continued to be the Ottoman Empire itself. The new turn for the better thus testified to a profound change of temper on both sides; but the credit for this change can hardly be given to either of the two Middle Eastern parties themselves. Īrān and 'Irāq were indebted for their reconciliation to the action of Italy; and, here again, it was not the diplomatic action of the League Council's Italian *rapporteur* Baron Aloisi in Europe, but the military action of Baron Aloisi's master in Africa, that brought the two Middle Eastern disputants to reason. The cessation of the 'Irāqī-Iranian dispute, like the conclusion of the Anglo-Egyptian treaty,[1] was the fruit of a perception that the peaceful-minded states of the World could no longer afford the luxury of bickering among themselves now that Aggression was openly raising its head and was triumphantly defying the League of Nations.

The retort of the small and weak countries to Signor Mussolini's formidable assault upon the principle of collective security was to close their own ranks by reinforcing any existing pacts among themselves, and at the same time negotiating additional arrangements of the kind. The reinforcement of the Little Entente and the Balkan Entente and the formation of the Baltic Entente have been recorded in previous volumes;[2] and in the autumn of 1935 the preparatory work for the conclusion of a Middle Eastern Pact—to link together Afghanistan, Īrān, 'Irāq and Turkey—was carried out on the initiative of Īrān[3] with the ready co-operation of Turkey, who felt herself to be gravely threatened by Italian ambitions in the Levant.[4] The negotiations took place at Geneva in the September of that year, and the draft of a text was initialed at the same place on the 2nd October.

[1] See section (i) of this part of the present volume.

[2] See the *Survey for 1933*, Part II, section (ii); and the *Survey for 1934*, Part III B, section (ii).

[3] This was stated for a fact in the Tihrān Protocol of the 8th July, 1937 (see below).

[4] See the *Survey for 1925*, vol. i, p. 526 *n.*; the *Survey for 1928*, p. 158; the *Survey for 1930*, p. 17; the *Survey for 1934*, p. 330 and *n.*

The first public reference to this Middle Eastern Pact seems to have been made at the beginning of January 1936 at Angora, at a banquet at which the Afghan Minister for Foreign Affairs was being entertained by his Turkish colleague Monsieur Rüstü Aras. And this was the background to the withdrawal of the 'Irāqī-Iranian dispute from the League Council's agenda in the course of that month. This connexion between an 'Irāqī-Iranian *détente* and a general Middle Eastern *rapprochement* was brought out still more clearly in the sequel when an 'Irāqī-Iranian agreement, settling the boundary dispute, was signed at Tihrān on the 4th July, 1937, and the Four-Power Middle Eastern Pact was signed in the same place four days later.

In this latter instrument[1] (which had been in draft for not much less than twenty-one months by the time when the settlement of the 'Irāqī-Iranian boundary dispute at last removed the obstacle that had been standing in the way of its signature)[2] the parties bound themselves to abstain from interference in one another's internal affairs (Art. 1); to treat their common frontiers as inviolable (Art. 2); and to consult one another in all international conflicts that might touch their common interests (Art. 3). They pledged themselves not to commit aggression against one another either single-handed or in concert with one or more third Powers, and defined what they meant by aggression in both positive and negative terms (Art. 4). They undertook to bring any apparent threat of violation of Article 4 of the Pact to the notice of the League Council, without prejudice to their own exercise of the right of self-defence (Art. 5). The commission of aggression by one of the contracting parties was to entitle the others to denounce the Pact in respect of the party in question (Art. 6). Each party undertook to prevent the taking, in its own territory, of private action directed against the interests of any one of the other parties (Art. 7). The four states reaffirmed their loyalty to the Briand-Kellogg Pact and to the League Covenant (Arts. 8 and 9). The new Middle Eastern

[1] Text in *Oriente Moderno*, August 1937, pp. 368–70.

[2] The signature of the Four-Power Middle Eastern Pact at Tihrān on the 8th July, 1937, was preceded by negotiations not only between Īrān and 'Irāq but also between Īrān and Turkey, and in April 1937 a number of Turco-Iranian agreements were signed at Tihrān. These consisted of a convention regarding security in the frontier zone, for the regulation of incidents and conflicts arising there; a convention of judicial and penal assistance; a customs administration agreement; a telegraph and telephone agreement; an air convention; a transit and transport agreement for facilitating traffic on the route Trebizond–Tabriz–Tihrān; a veterinary convention; and a treaty of commerce and navigation. In the *communiqué* referring to the conclusion of this set of Turco–Iranian agreements, it was stated that the two parties had also 'come to an understanding on certain questions relating to their common interests, with a view to the development of co-operation between them'.

Pact was to be in force for five years in the first instance, and it was to remain in force for a second term of the same length in respect of any of the parties that had not given six months' notice of denunciation before the expiry of the first five years term (Art. 10).

The act of signature of this Middle Eastern Pact at Tihrān on the 8th July was performed by the respective Foreign Ministers of the four contracting states; and in a subsequent meeting in the same place on the same day the same statesmen signed a protocol setting up a Permanent Council of the four Middle Eastern Powers—on the precedent of the constitutions of the Little and the Baltic and the Balkan Ententes. This Council was to meet at least once a year, either at Geneva or elsewhere, and was to have its own secretariat. After the signature of this protocol the new Council went into session; and its first act was to pass a resolution that the four Powers would support the candidature, first of Īrān and then of each other member in alphabetical order, for election to a seat on the Council of the League of Nations which was held at the time by Turkey but was due to be vacated by her at the forthcoming meeting of the Council and Assembly in September. In the same resolution, the four Middle Eastern states decided also to support the immediate re-election of Turkey to another seat on the Council with a view to investing her with the status of semi-permanent representation that was already enjoyed by Poland and Spain.[1]

Thus, by 1937, the Near and Middle Eastern states had succeeded, by regional self-help, in providing themselves with some measure of compensation for the recent weakening of the collective security which they had hitherto counted upon deriving from their membership of the League of Nations. The 'empty quarter' between the eastern frontiers of Italy, the south-eastern frontiers of Germany, the southern frontiers of the Soviet Union, and the western frontiers of India was now covered by four regional pacts which interlocked. The Little Entente and the Balkan Entente were knit together by the common membership of Jugoslavia and Rumania; the Balkan Entente and the Middle Eastern Entente by the common membership of Turkey; the Middle Eastern Entente and the Arab Entente by the common membership of 'Irāq.

It remained to be seen whether this mesh of regional agreements was strong enough to withstand a blow such as that which had been dealt to the League of Nations by Signor Mussolini's successful act of aggression against Abyssinia.

[1] See the *Survey for 1926*, Part I A, section (i); the *Survey for 1928*, Part I B, section (ii).

PART VI
THE AMERICAN CONTINENT

By Katharine Duff

(i) The Inter-American Conference for the Maintenance of Peace, December 1936

In earlier volumes of this *Survey* an account has been given of the origins of the Pan-American movement and of its development since the General War of 1914–18, down to the close of the Seventh Pan-American Conference at Montevideo on the 26th December, 1933.[1] In response to recommendations and suggestions which had been made by the Montevideo Conference, the Pan-American Union during 1934 set about drafting conventions and reports, and making preparations for the convening of conferences, or the appointment of expert commissions, on an immense variety of subjects, including agriculture, aviation, the codification of international law, commercial and financial legislation, copyright, customs and consular procedure, housing, industrial property, intellectual co-operation, public health and the treatment of Indians.[2] It also made special investigations into the encouragement of co-operation between Pan-American organizations and organizations and states outside America, and into the question of facilitating the ratification of Pan-American agreements and the adherence to such agreements of non-signatory states, including non-members of the Union. The Governments who were responsible for putting these proposals into effect were, however, much slower in taking action, with the result that, during the three years immediately following the Conference, comparatively few of the suggestions put forward by the Union reached the stage of being embodied in international agreements.

One of the earliest of these to be opened for signature was an agreement of the 15th July, 1934,[3] which bound the contracting parties not to invoke the most-favoured-nation clause of their own

[1] See the *Survey for 1925*, vol. ii, pp. 401, 403–4, 407–10; the *Survey for 1927*, Part IV A, section (ii); the *Survey for 1930*, pp. 368–9, 376–81; and the *Survey for 1933*, Part III, section (i).

[2] For a detailed account of the work done by the Pan-American Union see William Manger: 'The Pan American Union and the Conclusions of the Seventh International Conference of American States', in the *Bulletin of the Pan American Union*, February 1935, pp. 77–94.

[3] Text in *League of Nations Treaty Series*, vol. 165. See also the *Bulletin of the Pan American Union*, October 1934, pp. 712–16.

commercial treaties in respect of economic conventions open to adoption by all countries and intended for the freeing of international trade, unless they were themselves prepared to assume all the obligations of those conventions. The agreement was open to all nations of the world, and by July 1937 it had been signed *ad referendum* by Belgium, including Luxembourg, and by Greece, as well as by Colombia, Guatemala, Nicaragua and Panamá, and it had been ratified by Cuba and the United States. On the 15th April, 1935, agreements were signed on the protection of movable property of historic value and on the protection in time of war of artistic and scientific institutions and historic monuments.[1]

The Pan-American Union also succeeded in making arrangements through the American Arbitration Association and the Council on Inter-American Relations for the establishment of an Inter-American Commercial Arbitration Commission. It was intended that the Commission should set up arbitration tribunals in each of the American countries and that these tribunals should be in the hands of local committees and free from all Government control. By the end of 1936, committees had been appointed in Brazil and Argentina, and the Inter-American Commission had already been asked to settle a dispute between a United States firm and one of its Colombian clients.

On the other hand, the two economic and financial conferences to which so many unsolved problems had been referred by the Montevideo Conference were not able to fulfil the programme that had been planned for them.[2] The Third Pan-American Financial Conference, which should have met in Santiago in April or May 1934, was indefinitely postponed by the Chilean Government until the international currency situation should have become less unstable; and although the Commercial Conference which it had been proposed to hold in Buenos Aires did, in the end, take place there on the 26th May–19th June, 1935, its chances of success were still further diminished in that much of the preparatory work for it should have been done at the Santiago Conference, and that several of its principal delegates had to give so much attention to the Chaco peace negotiations. The question of tariffs had been removed from the agenda of the Conference, as the Argentinian Government preferred that it should not be discussed until there was a possibility of their obtaining wider concessions from the United States and also from European Powers; and the four conventions which the Conference adopted dealt with questions of secondary importance, such as the

[1] Text in *League of Nations Treaty Series, loc. cit.*
[2] See the *Survey for 1933*, pp. 347–8.

suppression of smuggling, the provision of a Pan-American passport for tourists, transit facilities for commercial aviation, and the establishment of Pan-American bureaux of commercial information.

Nevertheless it might be said that the value of the Montevideo Conference lay not so much in the actual measures which had been put into effect as a result of its having met, as in the opportunity which it had afforded for a demonstration, and, to a certain extent, a test, of the recent change in the policy of the United States towards Latin America.[1] The first signs of this change can perhaps be discerned as far back as 1927, under President Coolidge's Administration, in the sending of Mr. Dwight Morrow as United States Ambassador to Mexico. The new policy had been more consistently pursued by President Hoover and had been developed still further by President Roosevelt, who had lost no time in declaring, in his inaugural speech of the 4th March, 1933, and his Pan-America Day speech of the 14th April of the same year, that his foreign policy would be that of a good neighbour and that a policy of this kind was the true foundation of Pan-Americanism. Finally, at the Montevideo Conference, the United States delegation had accepted the Convention on the Rights and Duties of States, which declared that no state was entitled to intervene in the internal or external affairs of another; and the reservation which they had made with regard to the need for a full definition of the principle of non-intervention had solemnly assured the Conference that 'no Government need fear any intervention on the part of the United States under the Roosevelt Administration'.

During the three years between the adjournment of the Seventh Pan-American Conference at Montevideo on the 26th December, 1933, and the opening of the special Inter-American Conference for the Maintenance of Peace at Buenos Aires on the 1st December, 1936, the Latin-American policy of the United States Government continued to be based on the three main principles of the promotion of trade by the negotiation of agreements for reciprocal tariff concessions, the relaxation of control over certain states in Central America and in the Caribbean, and the replacement of single-handed intervention by the United States in the event of financial or political chaos in any country by joint action on the part of all the American states.

A commercial agreement had already been signed with Colombia on the 15th December, 1933; and agreements were concluded with Cuba on the 24th August, 1934; with Brazil, Haiti, Canada, Hondu-

[1] See the *Survey for 1927*, Part IV; the *Survey for 1930*, Part V, section (i); and the *Survey for 1933*, pp. 318 *seqq*.

ras, and, for a second time, with Colombia during 1935; and with Nicaragua, Guatemala and Costa Rica during 1936. All these agreements except the first one had been concluded by President Roosevelt with the special powers granted to him by the Trade Agreements Act of the 12th June, 1934, and they therefore did not need to be ratified by the Senate. In some cases the reciprocal trade agreements worked out to the advantage of the United States, but in others United States exporters still found it difficult to hold their own against competition from Germany, Great Britain and other European countries which had negotiated compensation agreements with Latin America. It was also alleged that the exchange restrictions which were in force in so many Latin-American countries resulted in unfair discrimination against the United States. Moreover, this tendency to regulate trade by exchange control and by compensation agreements providing for a strictly bilateral balancing of accounts between countries—a practice which had, perhaps, been carried to its furthest extent by the Argentinian Government, who had not yet concluded a reciprocal trade agreement with the United States—was diametrically opposed to Mr. Cordell Hull's policy of equality of opportunity in foreign trade and the regulation of the balance of payments of each country on a multilateral basis. The difficulty of reconciling these two conflicting policies was, indeed, to prove a serious obstacle to Mr. Hull's campaign for a general reduction of trade barriers.

A certain amount of ill feeling, leading, in some cases, to actual disputes, still existed with regard to the commercial and financial interests of United States citizens in Latin-American countries, but President Roosevelt's Government did not abandon their policy of refraining as far as possible from actively seeking redress on behalf of their nationals. For instance, the Department of State does not appear to have put pressure on the Bolivian Government during the dispute over the Standard Oil Company's concessions which began in November 1935 with an accusation that the company was evading payment of royalties, and which reached a crisis with the confiscation of all the company's holdings on the 16th March, 1937. When, at this latter stage of the dispute, reports were circulated in Washington to the effect that the good neighbour policy was going to be rewarded by a general offensive against all United States commercial interests in Latin America, State Department officials hastened to declare that there was not a shred of truth in these allegations.[1]

[1] It may perhaps also be recalled that considerable hostility already existed

Among the other achievements of the good neighbour policy during these years were the signing on the 29th May, 1934, of a general treaty with Cuba abrogating certain restrictions on the sovereignty of that country;[1] the withdrawal of the last detachments of marines from Haiti on the 15th August, 1934, more than three months before the date fixed by the agreement of the 7th August, 1933; the opening of negotiations with the Haitian Government on the subject of United States financial control;[2] and the conclusion in July 1935 of an agreement for the purchase of the National Bank of Haiti by the Haitian Government from the National City Bank of New York.[3] The United States Government also continued the practice, to which they had returned a few years before,[4] of recognizing Latin-American Governments which had been established by revolutionary or unconstitutional means, the chief instances of this being the 'National-Socialist' Governments of Colonel Franco in Paraguay and Colonel Toro in Bolivia.[5]

There were, indeed, several good reasons for believing that the good neighbour policy had come to stay. The political methods on which it was based had been applied by both the Republican and the Democratic Party when in office, though it was possible that the Republican Party might not wish to continue Mr. Hull's policy of reciprocal trade agreements and reduced tariffs. It was likely to appeal to both the isolationist and internationalist sections of American public opinion, and it happened also to be founded on a reliable mixture of self-interest with more idealistic motives. For, however sincerely the United States intended to play the part of a good neighbour, it still remained the most powerful of all the American republics. It was therefore probable that the absence of quarrels over the more obvious forms of intervention or 'dollar diplomacy' might only serve to smooth the way for the extension of its economic and political influence,[6] and might, as happened in Mexico at the time of Mr. Dwight Morrow's mission,[7] exercise a moderating influence over social-revolutionary or anti-foreign Governments in Latin America.

Once the Latin-American Governments had gained some confidence in the new policy of the United States, they were glad enough

between President Roosevelt's Government and Big Business as a result of the New Deal.

[1] See the *Survey for 1933*, pp. 363–5, 392.

[2] *Op. cit.*, pp. 358–9.

[3] For an account of the new treaty negotiated by the United States with Panamá see section (iii) of this part.

[4] See the *Survey for 1930*, pp. 366–70, and the *Survey for 1933*, pp. 325–8.

[5] See pp. 868–70, below.

[6] See the *Survey for 1930*, p. 376.

[7] See the *Survey for 1927*, pp. 464, 470 *n.*; the *Survey for 1930*, pp. 361, 363, 384, 388–9.

to see the Government at Washington abandoning their former attitude with regard to direct intervention, and they welcomed an opportunity to negotiate new commercial agreements at a time when some of their existing markets were in danger (owing, among other things, to the protectionist policy of the British Empire), though, as has been mentioned before, they still clung to their systems of exchange control and compensation agreements. They also hoped that the good neighbour policy would mean support from the United States for the political and social *status quo* in Latin America to the discouragement of subversive movements such as Communism. But though they were generally willing to make an enthusiastic response to any demonstrations of friendship and Pan-American solidarity on the part of the United States, they were conscious of the economic motives by which the new policy was in part inspired. They were also inclined to suspect that they were somewhat in the position of the lesser beasts who entered into an unequal partnership with the lion, even if the United States was not now going to claim its share with such uncompromising directness as the lion in La Fontaine's fable.

There was, however, a considerable difference in the attitudes which individual states adopted with regard to the possibility of closer co-operation between the American nations. The Governments of the smaller states, especially those in Central America and in the Caribbean which had had most experience of intervention by the United States and which had protested bitterly against it in the past, seem now to have been coming to realize that their countries were not strong enough to stand alone, and that they might eventually have attracted the attention of some 'Have Not' Power in Europe or in Asia if they had not had the good fortune to live in the shadow of the United States. There were other states, however, which were strong enough, or far enough removed from the United States, to rebel against any tendency, whether deliberate or unconscious, to make them into the satellites of Washington, or who did not want to sacrifice any of the advantages of their political and economic connexions with Europe and with the League of Nations.[1] Argentina, Chile, Colombia, Mexico, Peru and Uruguay all belonged to this group at some time or another.

Governments who were of this way of thinking were apt to be on the look-out for any signs of a change in the policy of the United States. For instance, when a revolution broke out in Nicaragua at the end of May 1936, and it began to be rumoured that Dr. Sacasa, the President then in office, had asked the United States to intervene

[1] See pp. 816, 820–1, 829–30, below.

on his behalf, the Chilean Government instantly sent a memorandum of protest to all the Central American states. A copy of this memorandum was presented to the State Department in Washington by the Chilean Ambassador on the 3rd June, and verbal representations were made by the Peruvian Ambassador next day, though both Ambassadors declared that their Governments were confident that the Government of the United States had, in fact, no intention of intervening. According, indeed, to a statement issued by Mr. Hull on the 4th June, they had never been asked to intervene at all, but only to co-operate with certain other Governments in a tender of good offices; and they had replied that they were only prepared to do so if none of the Nicaraguan political factions objected, and after they had consulted the other American nations who were interested in the question. By the time that the statement was made, however, the United States Minister to Nicaragua, together with other members of the diplomatic corps, had already been promoting negotiations between President Sacasa's Government and their opponents, the leaders of the National Guard. An armistice had already been arranged, and further negotiations resulted in the resignation of both President Sacasa and his Vice-President. The Nicaraguan Congress then filled the office of President by designating one of its members, Dr. Brenes Jarquin, as the senior deputy who would automatically become Provisional President in the absence of the President and Vice-President. This method of conferring office appears to have been accepted by the United States and other foreign Governments as being constitutional, with the result that the question of recognition did not arise.

During these years, relations between the United States and Latin America were also influenced to a great extent by the changes which were taking place in the attitude of the United States with regard to neutrality; that is to say, by the tendency towards the abandonment of the traditional policy of insisting on full neutral rights in favour of a policy of keeping the United States from being drawn into any war outside the Americas by restricting financial and economic relations with belligerent Powers, particularly as regards the supply of armaments.[1] It was clearly to the interest of the United States that this new neutrality policy should be adopted by as many as possible of the American countries. In the first place, it was desirable, from the point of view of the United States, that those countries whose products were similar to its own should not gain markets at its expense which they might keep after the war was over; and also that countries

[1] See the *Survey for 1935*, vol. ii, section (ii) (*h*), pp. 92–6, and section (vii).

which were conveniently placed for the purpose should not be used as a base for the purchase of armaments and other goods from the United States for re-export to belligerent countries—whether or not United States citizens profited by such transactions.

In addition, however, to these more limited interests of maintaining foreign trade, or of keeping out of any particular war when once it had actually begun, the extension of the neutrality policy would, it was hoped, serve a more general interest, which had been described by Mr. Hull himself[1] as 'the primary purpose of American foreign policy', namely 'the maintenance and promotion of peace, not only for the United States and foreign nations, but throughout the world'. There was, indeed, some reason to believe that both President Roosevelt and Mr. Hull were pursuing the new neutrality policy for reasons not unconnected with the interest in collective security which they felt but could not openly avow, though the Senate were very far from agreeing with them on this point, and the neutrality resolutions which actually became law represented a compromise between the two points of view and gave the President very little freedom of action. It is possible that the President and his Secretary of State may have been attracted to Pan-Americanism as one of the forms of internationalism which would be the least objectionable to opinion at home. For, while they were most eloquent in their praises of the contribution which it would make to the peace of the world by preventing American nations from quarrelling with one another, or from being attacked or exploited by European or Asiatic Powers, or from being drawn into the next World War, they also let it be understood that they were considering the possibility of building up a regional *entente*. This would not only be a shining example to the rest of the world, but it might also exercise a great influence over world affairs, through a policy founded on the new conception of neutrality and on the doctrine of the non-recognition of the acquisition of territory by force which had first been set forth by Mr. Stimson, and which was also included in the 'anti-war pact' of 1933.[2]

This 'anti-war pact', the chief sponsor of which had been the Argentinian Foreign Minister, Dr. Saavedra Lamas, was itself, however, an example of the dislike felt by certain South American Governments for any move towards regional isolation, since, though its original signatories were all Latin-American states, it was left

[1] In evidence given before the Appropriations Sub-Committee of the House of Representatives which was made public on the 31st March, 1936 (see *The Manchester Guardian*, 1st April, 1936).

[2] See the *Survey for 1932*, pp. 540–1, and the *Survey for 1933*, pp. 407–8.

open to adherence by all states in the world. The same tendency was also to be observed in the policy of these Governments with regard to a more important international treaty, namely the Covenant of the League of Nations. Apart from any disinterested sympathy which they may have had for the general cause of world peace, they were fully conscious of the advantages of their double rôle—as members of the League who were also American states—as a protection against domination by the United States on the one hand and against inconvenient demands from Geneva on the other; and, at the same time, as a double safeguard against aggression by a non-American Power. In spite of their objections to the recognition of the Monroe Doctrine in Article 21 of the Covenant, they were, therefore, anxious to keep up their connexion with the League, particularly until they had had a much longer experience of the good neighbour policy. One of the most striking examples of this double policy was the attitude of the Colombian Government, who were among the earliest supporters of the proposal for a regional league or association of nations and among the firmest opponents of the neutrality proposals submitted by the United States to the Inter-American Conference, on the ground that these would not be compatible with their Geneva obligations.

A different motive lay behind the schemes of regional organization supported by the Central and South American Governments who wished to extend and redefine the safeguards which they already enjoyed as neighbours of the United States, even at the price of becoming more definitely its satellites. One of these states, Costa Rica, had never belonged to the League of Nations, and Guatemala, Honduras and Nicaragua gave notice during 1936 of their intention to withdraw from it. On the other hand, the Government of Mexico, the largest of the Central American countries and the nearest to the United States, were opposed to regional isolation, and took an active part in the work of the League. Again, there was an interesting contrast between the attitude of the Argentinian Government, who were among the leading exponents of the two-strings-to-the-bow policy, and that of the Government of Brazil who, though they disliked the idea of an American League of Nations or Court of International Justice, were hoping for the establishment of a regional security pact and system of economic co-operation. This attitude was a natural development from the general tendency of Brazilian policy to avoid foreign entanglements, but it may also have had some connexion with the fact that Brazil, in spite of its great potential resources, was one of the more unstable of the Latin-American states owing to its

unwieldy size. It was not impossible that the political dissensions which already existed there might lead to a state of civil war and disruption of which some foreign Power might be tempted to take advantage.

In the United States, the idea of a closer inter-American regional understanding found favour with Senators who were well known for their anti-League views. This did not, of course, necessarily mean that President Roosevelt's Government were themselves becoming more hostile towards the League. They had, indeed, recently shown themselves willing, in certain cases, to work with the League in the interests of international law and order by offering it their moral support or their help in mediation, or by affording it indirect assistance through the new neutrality policy. Nevertheless it was possible that they were chiefly interested in it as one of many organizations for the maintenance of peace, which might be useful in some cases and positively dangerous in others, and not (as some observers, especially in Great Britain, saw it) as the chief hope of world peace and as an institution that was almost an end in itself. As, moreover, they were believed to be ahead of all but the most internationalist sections of public opinion in their own country on this point, it was only to be expected that, whatever plans they may have had for the part which Pan-America might eventually play in world-politics, the first steps which they wished to persuade the Latin-Americans to take would not be immediately in the direction of closer co-operation with the League.

It is perhaps significant that on the 14th October, 1935, at a moment when the Italo-Abyssinian War had just broken out, and when President Roosevelt's Administration were applying an arms embargo against both belligerents and trying to dissuade United States citizens from increasing their trade with them, Mr. Cordell Hull should have stated, in a speech[1] delivered at a meeting of the Pan-American Institute of Geography and History, that 'the disturbed and menacing conditions elsewhere' constituted 'a solemn warning' to the American nations, who were 'determined to keep the peace' and called 'upon the rest of the world to do likewise'. Moreover, he declared that the 'answer of the Americas . . . to the threats of misunderstanding and war' would 'be the maintenance of a stalwart community of nations' which would have 'the opportunity and perhaps the responsibility to preserve and secure to the world the benefits of civilization'. It was afterwards admitted by officials of the State Department that Mr. Hull's words were open to

[1] Text in U.S. Department of State: *Press Releases*, 19th October, 1935, pp. 313–14.

the interpretation that he would like to see the other American states adopt a policy similar to that outlined in the United States neutrality resolution of the 31st August, 1935. In this particular case, however, most of the Latin-American states had already agreed to take part in sanctions against Italy, while even Brazil and the other states who were not members of the League of Nations do not seem to have made any response to Mr. Hull's suggestions.

Nevertheless, the United States Government did not lose sight of the possibilities of inter-American co-operation as an aid to world peace, as well as for its own sake, and on the 3rd January, 1936, President Roosevelt himself took up the subject in his annual message to Congress. After comparing the increase of tension in Europe and Asia with 'the spirit of mutual understanding, of common helpfulness and of devotion to the ideals of self-government' which, he asserted, existed to a greater extent than ever before 'in the twenty-one American Republics and their neighbour the Dominion of Canada', he went on to declare that if the World were indeed on the brink of a period of war and anarchy, the policy of the United States and the rest of the Americas must be based on the following principles:

> Through a well-ordered neutrality to do nothing to encourage the contest; through adequate defence to save ourselves from embroilment and attack; and through example and all legitimate encouragement and assistance to persuade other nations to return to the ways of peace and good-will.

Encouraged by the favourable reception with which President Roosevelt's message was greeted in Latin America, the State Department now approached the Latin-American diplomatic representatives in Washington with a view to making preparations for an inter-American conference on the organization of peace; and on the 8th February it was made known that preliminary conversations were already in progress. Three days later, somewhat to the surprise, it was reported, of the State Department, which had not known that he would choose this moment to make the news public, President Roosevelt announced, at one of the White House Press Conferences, that he had already sent personal letters on the subject of the Conference to the heads of all the Latin-American Governments.

The text of President Roosevelt's letter to the President of Argentina, dated the 30th January, 1936, was published on the 15th February[1] as a specimen of these twenty letters, which were practically

[1] In U.S. Department of State: *Press Releases*, 15th February, 1936, pp. 162–3. It will also be found in *Documents on International Affairs, 1936*, pp. 548–9.

identical in form. The letters opened with the suggestion that, now that the signing of peace protocols between Bolivia and Paraguay gave every hope of a permanent solution of the Chaco question,[1] the time had come for the American republics 'to consider their joint responsibility and their common need of rendering less likely in the future the outbreak or the continuation of hostilities between them'. In President Roosevelt's opinion, it would therefore be desirable to summon a special inter-American conference 'to determine how the maintenance of peace' might 'best be safeguarded'—whether by securing the ratification or amendment of existing agreements for the pacific settlement of international disputes, or by creating entirely new instruments which would supplement the efforts of the League of Nations and of other peace agencies; and he would therefore deeply appreciate any suggestions which the heads of the Latin-American Governments might themselves wish to make to him on this subject. The language of these letters was extremely friendly, and, both here and in the handling of the preliminary conversations by the State Department, the United States Government seem to have taken particular care to avoid giving offence to the Latin-American states by playing too ostentatious a part in the preparations for the Conference. Besides the fact that no definite invitations were issued at this stage and no cut-and-dried proposals were made as to what should be discussed at the Conference, it was, for instance, suggested that the Conference should be held at Buenos Aires or some other American capital, and no special mention was made of Washington, though the initiative in proposing the Conference had come from the United States.

The five principal treaties concerned with the organization of peace in the Americas were the Gondra Pact of the 3rd May, 1923,[2] the Briand-Kellogg Pact for the Renunciation of War of the 27th August, 1928, the arbitration and conciliation conventions of the 5th January, 1929,[3] and the 'anti-war pact' of the 10th October, 1933.[4] In addition to their search for a means of co-ordinating and amending these treaties which would enable all American states to ratify or adhere to them, at the least possible cost to their effectiveness, the State Department were considering whether the whole system of peace machinery might not be strengthened by making arrangements for consultation among the American states. There

[1] These hopes had not been fulfilled by the time when this section was sent to press in September 1937. See pp. 864 *seqq*, below.

[2] See the *Survey for 1925*, vol. ii, pp. 409, 410.

[3] See the *Survey for 1930*, Part V, section (iii).

[4] See pp. 811–12, above.

were even suggestions that sanctions might be discussed, or at least some means of 'putting teeth' into the agreements which had just been proving themselves so ineffective during the dispute between Bolivia and Paraguay.

President Roosevelt's friendly gesture was very well received in Latin America. In their replies to his letters,[1] the twenty Presidents all expressed approval of the general idea that a Conference should be held and that it should concern itself, in the first place, with the improvement and extension of the American system of pacific settlement treaties. On the other hand, the suggestions which they made as to the actual steps which should be taken for this purpose, and as to the other questions which might be discussed at the Conference, showed that they were by no means entirely in agreement with each other or with the views which the United States Government were known to hold, though on this particular occasion they had refrained from expressing them.

With regard to the main question of regional organization, for instance, President Justo of Argentina declared that there was no place for regional agreements or for the separation of continents in the framework of international interdependence, and expressed particular satisfaction that the new peace machinery would be in harmony with the international organizations to which Argentina belonged. Very similar comments were made by President Cardenas of Mexico and by President Alessandri of Chile. The latter also made proposals for disarmament and 'moral disarmament', and he suggested that the new system of international law should be on the lines of the 'anti-war pact' and the peace code proposed by Mexico at the Montevideo Conference, and that it should be open to adherence by non-American states. The Presidents of Haiti, Honduras, Salvador and Venezuela contented themselves with declaring, in general terms, that they would like to see the work of the League reinforced and completed, and the President of Uruguay went so far as to assert that America had its own special problems, and that the Chaco dispute had shown that individual action taken in America was not incompatible with the Covenant (to which Uruguay would continue to give her adhesion), and afforded valuable opportunities for co-operation with American states who were not members of the League.

Proposals for an American League of Nations were put forward on

[1] Text in U.S. Department of State: *Press Releases*, 18th April, 1936, pp. 313–40; a French version was published in the *Journal des Nations*, 21st/22nd May, 24th/25th May, and 26th May, 1936. Extracts from some of the replies will be found in *Documents on International Affairs, 1936*, pp. 549–58.

behalf of three states. The President of Colombia took the view that some form of regional understanding would be much more convenient for the settlement of American problems than a world organization with its headquarters at Geneva where American nations could only play a subordinate part, and where their co-operation was sought in the enforcement of peace as it suited the convenience of the European nations and without sufficient consideration for American needs. He also expressed the hope that the new organization would be a democracy of states which would take no account of geographical, economic or political inequalities, and that it would develop into an American League of Nations which would co-operate with the League at Geneva but which would have its own regional covenant and would create for itself a more effective system of international law than that existing in the outside world. The President of the Dominican Republic was also in favour of the establishment of an American League, complete with Council and periodical Assemblies, as well as with its own covenant, court of justice and system of international law. More detailed suggestions came from the President of Guatemala, who repeated a proposal which he had presented to the United States Government on the 5th December of the previous year. This contained a draft General Treaty of American Solidarity and Mutual Co-operation providing for the creation of an Association of American Republics whose members would be pledged to use all their resources in the defence of any one of them against acts of aggression or of intervention by any foreign Power, together with proposals for a convention establishing a permanent court of inter-American justice.

The adoption of any treaty of this sort by the Conference would, of course, mean that the United States were willing to accept far-reaching changes in the form of the Monroe Doctrine, if not in its actual substance. This crucial question had not been mentioned in President Roosevelt's letters, but the United States Government had been expecting that it would be raised, as Latin-American opinion was known to be strongly in favour of abolishing the doctrine altogether, or of recasting the principles of the original unilateral declaration into the form of an international treaty between countries equal in juridical status, if not in actual power. It was believed that the United States Government would do nothing to prevent the question from being discussed, but that they would not be able to accept any changes in the doctrine which might be likely to meet with much opposition from the Senate, and the unpopularity of which might hinder the ratification of other agreements which might

have been drawn up at the Conference. Moreover, this being an election year, they were anxious not to offer concessions which might supply their political opponents with matter for propaganda.

The position was somewhat similar with regard to economic co-operation. Argentina and Chile had been the only states to raise this question in their replies, though President Vargas of Brazil, on first receiving President Roosevelt's invitation, had expressed the hope that the Conference might lead to an economic defensive union. The Argentinian Government were specially interested in the progress of their commercial negotiations with the United States and hoped that an agreement might be signed before the Conference opened, and that it might relax the sanitary restrictions which had been imposed on the importation of Argentinian meat into the United States. The power of modifying these restrictions did not, however, lie with the President and Secretary of State, but with Congress; while in the matter of general economic co-operation, as in that of the Monroe Doctrine, President Roosevelt's Administration had to consider the special conditions of an election year as well as the traditional prejudices of Congress.

By the middle of March letters welcoming President Roosevelt's suggestion that a Conference should be held had been received from all the states concerned except Paraguay, the delay in this case being due to the fact that a revolution had taken place in Paraguay during February, and that, for reasons connected with the Chaco peace negotiations,[1] the new Government had not been recognized by the United States and other American Powers until the 14th March. Two days later a fresh invitation had been handed to Colonel Franco, the new President, who had declared his intention of accepting it, but Paraguay's formal answer did not reach the State Department until some time in April. However, the growth of international tension caused by the remilitarization of the Rhineland and the later stages of the Italo-Abyssinian war was making the United States Government anxious to push on as rapidly as possible with the preparations for the Conference, and on the 17th March President Roosevelt announced that the heads of the American states were agreed that a Conference should be held at Buenos Aires, and that 'during the next few weeks' the United States Government would continue to be in communication with 'the Governments of the American Republics with a view to obtaining unanimous agreement on the programme and agenda' for that Conference.[2] With this end

[1] See p. 869, below.

[2] Text of statement in *The New York Times*, 18th March, 1936.

in view, the heads of the Latin-American diplomatic missions in Washington formed themselves, on the 8th April, into a commission, with Mr. Hull as its chairman and Dr. Espil, the Argentinian Ambassador, as its vice-chairman, which was to act as a clearing-house for exchanges of views; and, a week later, a committee composed of the representatives of Argentina, Mexico and Guatemala was appointed to collect and arrange materials for the preliminary draft of the agenda.

Towards the end of April there was also a certain amount of discussion as to what attitude the Dominion of Canada might be expected to adopt towards the Inter-American Conference, since it was a country situated in North America, as well as a member of the British Commonwealth of Nations. For a time the United States Government hoped that even if the Canadian Government did not send delegates to the Conference they might still take part in an agreement on neutral rights, as an American system of sanctions or embargoes would be difficult to work if Canada stood outside it. In spite of their tendency to isolationism, however, Canadians were not particularly interested in the Pan-American movement, and the Canadian Government were adopting a much more reserved attitude with regard to the Conference now that some of the Latin-American Governments had been making proposals for an American League of Nations or for other forms of regional organization. It had been rumoured that inter-American co-operation would be one of the subjects to be discussed during the visit which President Roosevelt was to pay to Canada later in the year. This visit, which took place on the 31st July, was, indeed, the occasion of great demonstrations of friendship, but the real value of these demonstrations, and of the speeches which were made by President Roosevelt and the Governor-General of Canada, Lord Tweedsmuir, was, perhaps, most clearly expressed by Lord Tweedsmuir himself, when he declared that it was 'not by any alliance, political or otherwise, but through thinking the same thoughts and pursuing the same purpose', that Canada and the United States might 'help to restore the liberties of mankind'.

Meanwhile the United States and the Latin-American countries had been preparing definite proposals for the agenda. As early as the 15th April it was made known that Dr. Saavedra Lamas had approached President Roosevelt with a plan containing no less than seventeen draft agreements.[1] The most interesting proposals which he put forward on the subject of the organization of peace were, firstly, that the Conciliation Commissions which were already in

[1] For a more detailed account of this plan see *ibid.*, 16th April, 1936.

existence should have power to take preventive measures such as the evacuation of invaded territory, or the organization of an international police force, and, secondly, that, in the event of a threat of hostilities, all the American republics should immediately declare an embargo on the supply and transit of armaments, coal, oil, and other articles which might be considered as war supplies. This embargo would at first be maintained against both parties in the conflict, but afterwards only against the state which an inter-American inquiry had proved to be the aggressor. The Argentinian plan also included agreements which provided for the modification of sanitary restrictions and the declaration of a tariff truce for five years, and which prohibited the use of force or of diplomatic intervention to secure the payment of financial claims, and restricted the extension of diplomatic protection by any American Government to those of its citizens who were living in other American countries.

Though this last class of measures would have the effect of crystallizing the 'good neighbour policy' in a series of international agreements, the plan was, on the whole, well received at the State Department, where it was pointed out that many of the proposals already formed part of the treaty obligations of the United States Government. State Department officials were, indeed, reported to see nothing startling in the idea of sanctions of some kind,[1] but it was significant that the proposals[2] which the United States Government laid before the agenda sub-committee on the 2nd May laid stress on the need for the 'conclusion of a convention open to all nations, supplementing and clarifying existing rules concerning rights and duties of neutrals with reference to certain classes of trade and commerce', and for 'a more comprehensive statement of international law pertaining to neutral and belligerent rights and duties'. Another difference between the policy of the United States and that of Argentina was indicated by the United States Government's economic proposals, which also included a tariff truce, but which were specially directed against all forms of discrimination and did not mention sanitary restrictions.

The chief interest of the memorandum,[3] bearing the date of the 18th May, which was submitted by the Chilean Government, lay in the views which it expressed with regard to the League of Nations, especially as a similar declaration was made by President Alessandri himself, three days later, in the course of a message to the Chilean

[1] See *ibid.*, 17th April, 1936.
[2] Text, *ibid.*, 3rd May, 1936.
[3] Text in the *Journal des Nations*, 7th/8th and 13th June, 1936.

Congress.[1] The Chilean Government were evidently determined never again to take part in any collective attempt to apply sanctions, either outside or inside America. They had no immediate intention of withdrawing from the League, but they considered that the obligations of its Latin-American members should be limited to the improved system of pacific settlement treaties which they hoped to see established by the inter-American Peace Conference. On the other hand, they were not in favour of replacing the Pan-American Union by a regional League of Nations or by any other form of closer union.

Proposals for the establishment of a regional League were, however, sent in by several other countries. The most comprehensive of these proposals came from the Colombian Government,[2] who included the definition of the aggressor and the provision of effective sanctions among the principles on which the new organization must be based. They suggested that the American League should co-operate regularly and permanently with the League of Nations in Geneva (though it would reserve the right to settle all American disputes by itself), that it should elect its own representatives to the League Council, on which the American states would be allotted more seats than they held at present, and that Article 21 of the Covenant, which recognized the Monroe Doctrine, should be abolished. The Colombian Government also joined with the Governments of Cuba, Ecuador, Guatemala, Panamá and Peru in presenting a scheme for an inter-American Court of Justice.

A preliminary form of agenda,[3] which had been drawn up by the sub-committee of three, was approved by the Governing Board of the Pan-American Union on the 19th May and was then submitted to the Governments of the twenty-one American republics for approval and, if necessary, amendment. The final version,[4] which was adopted by the Board on the 22nd July, was divided into six sections dealing respectively with the organization of peace, neutrality, the limitation of armaments, legal problems, economic problems and intellectual co-operation. It differed very little from the original draft, except that the language of a reference to 'the relation of the American republics to other international entities' had been altered in such a way as to show that measures of co-operation with such entities would also be considered, and that the questions of the civil and political rights of women and the improvement of the condi-

[1] Text in *ibid.*, 24th/25th May, 1936.
[2] Text in *The New York Times*, 20th May, 1936.
[3] Text in *loc. cit.*
[4] French text in the *Journal des Nations*, 25th August, 1936.

tions of the working-classes had been postponed until the Eighth Pan-American Conference which was due to be held at Lima in 1938.

The Conference would still be concerned, in the first place, with the co-ordination and supplementing of pacific settlement treaties and with measures for securing their prompt ratification; but it would also study measures for removing the causes of disputes. Here, however, a reservation excluding questions already settled by treaty had been added at the request of the Chilean Government, who did not wish the Bolivian Government to raise the question of access to the Pacific. Among the sources of the various and frequently incompatible items which made up the rest of the programme were the Argentinian proposals with regard to sanitary restrictions, the tariff truce and the prohibition of intervention; the Central American and Colombian proposals for an inter-American Court of Justice and system of international law (but not their proposal for an American League of Nations); the Chilean proposals for disarmament, moral disarmament, and the unification of nationality legislation; and the United States proposals for intellectual co-operation, for a tariff truce, and equality of opportunity in foreign trade, for the development of communications and of the Pan-American Highway, and for an enquiry into the rights and duties of neutrals.

After the final version of the agenda had been referred once more to the American Governments for their final approval, Dr. Saavedra Lamas was able to announce on the 5th August that the Conference would begin on the 1st December, and all the twenty-one Governments accepted the formal invitations which they subsequently received from Argentina. No further changes appear to have been made in the text of the agenda, but, during the next few months, negotiations continued to take place in the American capitals with regard to its interpretation. It came, for instance, to be understood that the Conference would concentrate its attention on neutrality, the organization of peace, and intellectual co-operation rather than on economic problems and disarmament.

After the long-awaited elections had taken place in the United States on the 1st November, and President Roosevelt's Administration had been returned to office with a greatly increased majority, the United States Government found themselves in a position to devote more attention to foreign affairs, and also to make more concessions to the Latin-American states. They still wished to preserve full liberty of action with regard to disarmament and the Panamá Canal, and they still felt unable to support the proposals

for an American League of Nations, partly because of the unpopularity of its name; but they had no objection to the establishment of an inter-American Court of Justice, though the United States would not itself belong to it. They also appear to have been much more willing to consent to the Pan-Americanization of the Monroe Doctrine than they had been in the spring.

On the 6th November it was announced that President Roosevelt would himself attend the opening session of the Conference, and it was afterwards arranged that he should break his journey at Rio de Janeiro on the way out and at Montevideo on his return. No President of the United States had gone abroad to attend an international conference on the organization of peace since President Wilson's journey to Europe in 1919, and, though the speeches made by President Roosevelt and by Mr. Hull (who was leading the United States delegation) before they embarked for South America were chiefly concerned with the value of the Conference as an example to other nations, it was also believed, both in the United States and abroad, that President Roosevelt would take advantage of this great occasion to make some more positive contribution to the pacification of the World. This impression was strengthened by a speech[1] which the President made at a joint session of the Brazilian Congress on the 27th November during his stay in Rio de Janeiro, in the course of which he declared that the American states could not countenance aggression from wheresoever it might come, and which concluded with a panegyric on the 'glories of interdependence' in international relations. People who had talked with President Roosevelt since the election were inclined to interpret his words as having a world-wide and not merely a Pan-American significance; and it was even reported that he was thinking of making a proposal to the World for a standstill agreement on rearmament, in return for which the United States would promise to co-operate with American and other Powers in resisting aggression by the retort of economic non-intercourse.[2]

No proposal of this kind was, however, actually put forward in the inaugural address which President Roosevelt delivered before the Conference on the 1st December,[3] though the address was remarkable for the zeal with which the President joined in the conflict of ideologies which had recently become such a feature of international

[1] Text in *The New York Times*, 28th November, 1936. Extracts are given in *Documents on International Affairs, 1936*, pp. 558–61.

[2] See *The Observer*, 29th November, 1936.

[3] Text in *International Conciliation*, March 1937, pp. 209–14. Extracts are given in *Documents on International Affairs, 1936*, pp. 563–7.

politics. After an eloquent appeal for the strengthening of democratic government, not only in the Americas but throughout the World, accompanied by stirring denunciations of rearmament, economic nationalism, the idea that new markets could be gained by conquest, the violation of treaties, and other manifestations of the 'old hatreds and new fanaticism' which were rending other continents asunder, President Roosevelt did, it is true, remind his hearers that the economic collapse of any nation or a serious outbreak of war in other parts of the World would be a threat to the security and prosperity of the Americas. His suggestions as to how the republics of the New World could help the Old World to avert the impending catastrophe did not, however, go beyond the lines laid down in earlier declarations on the foreign policy of the United States. In the first place, he declared, it would be their duty to prevent war among themselves by the 'strengthening of the processes of constitutional democratic government', this being the best means of giving effect to the will to peace which was shown by ordinary people all over the World, often in contrast to the policy of their leaders and Governments. He also pleaded for the development of social and political justice, for an improvement of the standard of living of all the American nations, and for a lowering of trade barriers; and he insisted that a policy based on these principles would offer the best hope for peace and for a more abundant life to the peoples of the whole World. Until this happy state of things should arrive, however, he declared that

> We in the Americas . . . stand shoulder to shoulder in our final determination that others who, driven by war madness or land hunger, might seek to commit acts of aggression against us will find a hemisphere wholly prepared to consult together for our mutual safety and our mutual good.

President Roosevelt's appearance at the Conference was the signal for one of the most remarkable ovations which he received during his extremely successful 'good will tour' to Rio de Janeiro, Buenos Aires, and Montevideo.[1] Moreover, when the opening celebrations were over and the Conference began work in earnest, the atmosphere

[1] According to some observers, however, the ovation had to a certain extent been part of that polite fiction of Pan-American unity which the Latin Americans, as well as the United States Government, had each their own reasons for maintaining. In some quarters it was even believed that President Roosevelt had adopted such a general style of oratory because he thought it would be what his audience was accustomed to hear on such occasions. Whether or not this allegation was justified, Latin-American opinion was reported to have been somewhat suspicious of this supposed indirect form of flattery.

continued to be friendly. The ostentatious demonstrations against 'Yankee Imperialism' which had often occurred at earlier Pan-American Conferences appeared to be a thing of the past, and there was never any question of a united Latin-American front against the United States. Nevertheless, serious differences of opinion still existed among the Latin-American states themselves, as well as between some of them and the United States, and it was not at all easy to evolve a series of agreements from the one hundred and fifteen proposals and counter-proposals which the twenty-one delegations laid before the Conference. The policy of the United States was expounded once again in greater detail on the 5th December by Mr. Hull,[1] who put forward a peace programme based on the eight following points:

(1) The development in each country of a well-informed and alert public opinion in support of peace and of desirable relationships with other countries.

(2) Frequent conferences between representatives of the nations, and intercourse between their peoples.

(3) Full ratification of, or adherence to, the five chief pacific settlement treaties and the convention co-ordinating and extending those treaties which the United States delegation was about to lay before the Conference.

(4) The adoption of a common policy of neutrality 'inspired by the determination to stay at peace'.

(5) The adoption of 'a liberal policy of commerce' and the abandonment of 'the present short-sighted, war-breeding, bilateral bargaining method of trade to the exclusion of triangular and multilateral trade'.[2]

(6) A return to the principle of practical international co-operation in order to counteract the existing tendency of nations 'to live a hermit existence by isolating themselves from each other in suspicion and fear'.

(7) The restoration of the authority of international law, which should be revitalized and strengthened by general demand.

(8) The stricter observance of international treaties, which should only be modified or ended by peaceful procedure and mutual agreement and must not be 'broken by arbitrary unilateral action'.

[1] Text of his speech in *The New York Times*, 6th December, 1936, and in *Documents on International Affairs, 1936*, pp. 568–77.

[2] Mr. Hull's criticisms of bilateral bargaining were understood to be specially aimed at the Argentinian Government, who had concluded an agreement of this type with Great Britain as lately as the 1st December.

Though these eight points were intended, in the first place, for the guidance of the Conference itself, Mr. Hull repeatedly suggested that they had a much wider application, and he reminded the American Governments that 'each nation in any part of the World is concerned in peace in every part of the World' and that his peace programme contemplated no conflict with other forces and agencies of peace the World over. Towards the end of his speech, indeed, he definitely expressed the hope that it might 'receive the support of all peoples', and declared that it was 'inconceivable that the civilized nations would long delay a supreme effort to re-establish' the 'rule of law' in international affairs. Moreover, an indication of what contribution the United States might make to this supreme effort was perhaps to be traced in the following declaration with which he had introduced his eight principles:

> While carefully avoiding any political entanglements, my Government strives at all times to co-operate with other nations to every practical extent in support of peace objectives, including reduction or limitation of armaments, the control of traffic in arms, taking the profit out of war and the restoration of fair and friendly economic relationships. We reject war as a method of settling international disputes and favour such methods as conference, conciliation and arbitration.

Indeed, the United States delegation let it be known that Mr. Hull's speech was definitely intended to supplement the references to the international situation made in President Roosevelt's inaugural address, and special significance was also attached to the fact that copies of the speech were presented at the Foreign Offices of all nations throughout the World.

The immediate practical measures with which Mr. Hull hoped to give effect to his eight-point programme were contained in two draft agreements which were laid before the Conference on the 7th December. One of these was a convention[1] for the promotion of cultural relations, the articles of which relating to the exchange of teachers and students were adopted by the Conference almost as they stood, though an article providing for the encouragement of inter-American friendship through 'opinion-forming groups', such as peace and social welfare organizations, was omitted.

The second draft agreement[2] was the convention for the co-ordination and extension of pacific settlement treaties which Mr. Hull

[1] Text of the original draft in *The New York Times*, 7th December, 1936, and of the final version in United States Department of State: *Treaty Information*, February 1937, pp. 29–31.

[2] Text in *The New York Times*, 7th December, 1936, and in *Documents on International Affairs, 1936*, pp. 577–83.

had mentioned in connexion with his third point, and which was also meant to establish the common policy of neutrality referred to in his fourth point. By this 'co-ordinating convention' the American states would renew all their obligations under the five pacific settlement treaties and would also agree to supplement these treaties by setting up a permanent inter-American consultative committee consisting of the Foreign Minister or Secretary of State of each country. The committee would be able, if necessary, to hold consultations by post, telegraph, or telephone, so that its business could be transacted without its members actually leaving home. Its functions would be:

(1) To assist, solely through the tender of friendly good offices and of mediation, in the fulfilment by the American republics of existing obligations of pacific settlement.

(2) To provide a means whereby the American republics, with full recognition of their juridical equality as sovereign and independent states, and of their general right to individual liberty of action, may nevertheless, in every way consistent therewith, take counsel together whenever emergencies arise which affect their common interests.

It was provided that if any of the contracting parties were unable to settle a dispute in which they were concerned they would regard any mediatory action taken by the committee as being in harmony with the whole existing system of pacific settlement treaties, and that, while the committee was considering the dispute, they would not commit acts which might aggravate the controversy, or resort to hostilities or to any preliminary military action. If, however, the dispute did lead to hostilities, the other American states would adopt 'a common and solidary attitude'. Acting through the consultative committee they would determine forthwith, either jointly or individually, whether such hostilities should be regarded as a state of war. If this was decided to be the case, the states which remained neutral would be bound to declare an embargo on the supply of arms and war material (including a list of articles to be specified in an annex to the convention), and on the granting of loans and credits to any of the belligerents. Individual neutral Powers might impose additional restrictions on their trade with the belligerents, in the interests of international peace as well as of domestic policy, but such measures must apply equally to all the belligerents, except in so far as the neutral Powers were bound by multilateral treaties or conventions to which they had already been parties when the co-ordinating convention came into force. By Article 11 of the convention this 'escape clause' referring to existing obligations was declared to apply to all the provisions of the convention.

These proposals from the United States aroused a good deal of

attention in League of Nations circles. The plan for a consultative committee was reported to be welcomed at Geneva, on the ground that it would accustom the people of the United States to see their Government taking part in the work of an international organization, though some anxiety was felt lest the new committee should tend to take the place of the League Council in Latin-American affairs. League officials were said to be rather uncertain as to the probable effect of the neutrality proposals in combination with the escape clause, but to be inclined to consider that the convention would be compatible with the obligations of Latin-American members of the League to the extent of allowing of all forms of sanctions except military ones. On the other hand, the 'co-ordinating convention' went too far in the direction of collective security for certain sections of opinion at Washington, who were reported to be complaining that it would be more likely to drag the Americas into a European war than to keep them out of it. In order to allay these fears, Mr. Hull issued a statement on the 9th November to the effect that the scope of the convention was 'continental but not world-wide. The American republics would only be called upon . . . to consult . . . when the peace and safety of one or more nations in this hemisphere were involved'. Moreover, the convention neither moved 'in the direction of, nor away from, sanctions', and it did not 'in any way affect exports from this hemisphere to other countries either in time of peace or in time of war'.

The co-ordinating convention had, however, first to take its chance, with at least seven other sets of proposals, in the controversy on the subject of neutrality and the regional organization of peace which had now arisen in the Conference itself. The representatives of the five Central American states (Costa Rica, Guatemala, Honduras, Nicaragua and Salvador) and of Panamá were in favour of the convention as far as it went, though they would have liked the United States to guarantee them against any economic losses that they might suffer through applying the embargo policy. They also wished to supplement the convention by a treaty providing that the American states should form a united front in the event of the rights of any one of them being infringed. This treaty, like the Guatemalan proposal of December 1935,[1] would have resulted in the Monroe Doctrine being placed on a Pan-American basis. The Brazilian delegation, who were also among the supporters of the convention, put forward a rather stronger proposal, according to which an intervention by any non-American Power in any American country with which it had no

[1] See p. 817, above.

existing political relationship was declared to be an unfriendly act, in the event of which the contracting parties would consult with one another. Among other states whose representatives were instructed to support the co-ordinating convention were Cuba, the Dominican Republic, Ecuador and Venezuela. The Peruvian Government had a peace plan of their own, which provided for the maintenance of existing rules of neutrality, but which came closer to the point of view of the United States in that it made no arrangements for finding or discriminating against the aggressor.

The opposition to any proposal which savoured of regional isolation was led by the representatives of Argentina. In their opening speeches of the 1st and 4th December, President Justo[1] and Dr. Saavedra Lamas had once more insisted that the new agreements should not create 'antagonistic continental groups' and that they should be open to all nations and co-ordinated with the League Covenant and other treaties. The six proposals which the Argentinian Government themselves laid before the Conference on the 9th December included a declaration renouncing wars of conquest and the maintenance of a state of armed peace, and reaffirming the obligations of the Briand–Kellogg Pact, the 'anti-war pact', and all the Pan-American pacific settlement treaties; an additional protocol withdrawing all the reservations contained in Articles 1 and 2 of the inter-American arbitration convention of the 5th January, 1929,[2] and making the convention open to the adherence of non-American states; a convention providing for the establishment of conciliation commissions with power to take precautionary measures of a military character; and three conventions on the subject of diplomatic protection and of intervention for the purpose of collecting debts. Indeed, almost the only important feature of the Argentinian proposals of the previous April which did not reappear in these agreements was the plan for economic sanctions.[3]

A strong line was also taken by the representatives of Colombia and Uruguay. Both these delegations were anxious lest schemes for closer union between the American states might not be compatible with their obligations under the Covenant—obligations which, it may be remarked, Uruguay had successfully evaded during the Chaco War, and which Colombia had also been anxious to see restricted.[4] The

[1] Text of President Justo's speech in *International Conciliation*, March 1937, pp. 204–8; extracts in *Documents on International Affairs, 1936*, pp. 561–3.

[2] See the *Survey for 1930*, pp. 379–80. [3] See pp. 819–20, above.

[4] For the apparently somewhat contradictory attitude adopted by the Colombian Government on the subject of regional organization earlier in the year see pp. 817, 821, above.

Colombian and Uruguayan representatives also expressed alarm lest closer union might result in too great a separation between American and non-American states, and even, in certain cases, in the formation of a united American front against a European Power on behalf of an American state which was itself the aggressor. Besides this, the Colombian delegation wished arrangements to be made for defining the aggressor and applying sanctions, a view which was shared by the representatives of Bolivia and Haiti except that they did not actually declare themselves to be in favour of military sanctions. The Chileans, on the other hand, objected to the modified sanctions of the embargo policy, as well as to the proposal to establish a permanent consultative committee, and were themselves proposing a treaty by which the contracting parties would recognize their general interest in the maintenance of peace between all countries, and would at the same time undertake to fulfil all their treaty obligations.

In the difficult and intricate negotiations of the ensuing fortnight, private conversations played a more important part than the open debates which also took place in the committees on neutrality and the organization of peace. During all this time the United States delegation continued to use the same methods of working for an inter-American agreement as their Government had been using ever since the Conference had first been suggested. Carefully avoiding giving the impression that they were forcing their own views on the other delegations, they preferred to appear in the rôle of mediators between other delegations who had put forward conflicting proposals, especially between those of Brazil and Argentina, than as the promoters of one of the most controversial proposals of all. They were, indeed, convinced that it was far more important that some form of peace pact should be adopted unanimously by the Conference than that their own plan should go through without amendment but with even one vote cast against it.

By the time that a series of proposals calculated to meet with the approval of all the twenty-one American republics had been agreed upon in private negotiations and piloted through the committees and plenary sessions of the Conference, the resulting agreements and declarations, which were signed on the 23rd December, were very different both in form and in content from the co-ordinating convention originally proposed by the United States delegation on the 6th of that month. The agreements which most nearly corresponded to the co-ordinating convention were the Convention for the Maintenance, Preservation and Re-establishment of Peace, and the Convention to Co-ordinate, Extend and Assure the Fulfilment of the Existing

Treaties between the American States, which were often referred to under the short titles of the 'collective security pact' and the 'neutrality convention'.

The collective security pact[1] was based on the Briand–Kellogg Pact and the anti-war pact of 1933. Its preamble opened with a reference to the need for supplementing and reinforcing the efforts of the League of Nations and of other peace agencies,[2] and went on to assert that 'every war or threat of war affects directly or indirectly all civilized peoples'. The pact then provided that the American Governments should consult together 'for the purpose of finding and adopting methods of peaceful co-operation' if the peace of the American republics were menaced or 'in the event of war, or of a virtual state of war' between American states. Moreover, 'in the event of an international war outside America which might menace the peace of the American republics, such consultation' should 'also take place to determine the proper time or manner in which the signatory states, if they so' desired, might 'eventually co-operate in some action tending to preserve the peace of the American Continent'. Neither in this pact nor in the neutrality convention, however, were any arrangements made to set up a permanent consultative committee.

The neutrality convention[3] began by reaffirming the obligations of the five pacific settlement treaties together with those of the new convention on the maintenance of peace. It then provided that, in the event of a dispute between American states, the parties to the dispute must refrain from any form of military action during a period of not more than six months while consultations were taking place between all the American states. If, however, the dispute resulted in hostilities, the American states were still (as in the original co-ordinating convention) to adopt a 'common and solidary attitude' as neutrals, and they were still to consult with one another, in order to determine whether a state of war existed, and in order to 'prevent the spread or prolongation of hostilities'. This time, however, no provision was made for a compulsory embargo on the supply of armaments, or on financial assistance, though individual states were still free to impose prohibitions and restrictions of this kind, so long as this was in accordance with the multilateral treaties to which they were already, or might eventually become, parties. Moreover, it was

[1] Text in *International Conciliation*, March 1937, pp. 221–2, and in *Documents on International Affairs, 1936*, pp. 583–4.

[2] The Paraguayan delegation made a reservation in respect of their country's special position with regard to the League.

[3] Text in *International Conciliation*, March 1937, pp. 225–30, and in *Documents on International Affairs, 1936*, pp. 588–91.

now explicitly declared that the rights and duties of American states members of the League of Nations were not affected by any of the provisions of the convention. In both conventions the arrangements for conciliation and the maintenance of neutrality, though not those for consultation, appeared to refer to conflicts between American states only, and it was made clear by Mr. Hull, as early as the 13th December, that the conventions were, indeed, intended in the first place to preserve peace in the Americas, and that they would only apply to foreign wars if the American states considered their security to be threatened.

It will be seen that though the United States Government had persuaded the Conference to adopt the general principle of consultation, the new conventions made several important concessions to the opposite point of view, by leaving individual states greater freedom of action, by making explicit reservations with regard to the League Covenant and, above all, by dropping the proposal for an embargo against all belligerents. The Argentinian delegation were, however, still not completely satisfied, and they signed the neutrality convention subject to a reservation that foodstuffs and raw materials intended for the use of civilians might under no circumstances be considered as contraband, and that no state should be required to withhold credits for the purchase of this class of goods; also that each state might reserve freedom of action with regard to the arms embargo 'in the face of a war of aggression'. Reservations were also made on behalf of the Paraguayan Government, whose views were identical with those of the Argentinian Government; on behalf of Salvador, 'with respect to the idea of continental solidarity when faced by aggression'; and on behalf of the Colombian Government, who added a definition of aggression including invasion, the refusal to fulfil an arbitral or judicial decision, and intervention in the internal or external affairs of any state.

The question of intervention had already been dealt with in an additional protocol[1] to the Montevideo Convention on the Rights and Duties of States, by which the intervention of any one of the contracting parties 'directly or indirectly in the internal or external affairs' of any of the others was declared to be inadmissible, and provision was made for mutual consultation if this undertaking were ever to be violated. Great importance was attached to this protocol by the Latin-American delegations, who considered it to be one of the clearest signs of the transformation of the Monroe Doctrine. A

[1] Text in *International Conciliation*, March 1937, p. 222, and in *Documents on International Affairs, 1936*, pp. 584–5.

leading part in drafting it had been taken by the Mexicans, but, on the other hand, the five Central American delegations were reported to have been unwilling to share the responsibility of putting the proposal forward, and were much relieved when the United States delegation decided to renounce opposition to it in return for the inclusion of part of their own proposals in the conventions on collective security and neutrality. The most important changes which the protocol made in the Montevideo Convention were the arrangements for consultation, the prohibition of indirect intervention and the withdrawal of the reservation made by the United States in 1933.[1] Indirect intervention was a form of interference of which the United States was more likely to be suspected than the lesser American countries. It was also one that would be very difficult to prove, owing to the absence of any clear dividing line between the unintentional influence of a large country on its smaller neighbours, and deliberate intervention by indirect action or the 'intervention by inertia' of which the revolutionary Government in Cuba had complained when the United States Government were withholding recognition from them in the autumn of 1933.

The agreements for the organization of peace were completed by an Inter-American Treaty on Good Offices and Mediation,[2] which made arrangements for eminent citizens of American countries to act as mediators in inter-American disputes; and by a Treaty on the Prevention of Controversies[3] providing for the establishment of permanent bilateral mixed commissions for the purpose of eliminating the causes of future difficulties or conflicts. The second of these agreements was based on a Chilean proposal, and was only signed by the Peruvian delegation subject to a reservation to the effect that recourse to the commissions should be optional and not mandatory.

In addition to these five agreements the Conference had also considered the Central American states' draft treaty on the formation of a united front against aggression. Though this proposal had been accepted by nearly all the delegations, including those of the United States and of Brazil, it met with such determined opposition from the Argentinian delegation that it could only be adopted in the modified form of a Declaration of Inter-American Solidarity and Co-operation[4]

[1] See the *Survey for 1933*, pp. 345–6.

[2] Text in *International Conciliation*, March 1937, pp. 224–5, and in *Documents on International Affairs, 1936*, pp. 586–8.

[3] Text in *International Conciliation*, March 1937, pp. 223–4, and in *Documents on International Affairs, 1936*, pp. 585–6.

[4] Text in *International Conciliation*, March 1937, pp. 263–4, and in *Documents on International Affairs, 1936*, pp. 593–4.

to the effect that 'any unfriendly act towards any American country likely to endanger peace' affected all American countries and was a sufficient reason for having recourse to the procedure of consultation. Some of the Argentinian Government's own proposals were dealt with by the same method of compromise in other clauses of the declaration which reaffirmed the four principles of the non-recognition of the conquest of territory, the condemnation of intervention, the illegality of the forcible collection of pecuniary obligations, and the necessity of settling all disputes between American nations by arbitration, conciliation, or international justice.

A resolution[1] was also adopted recommending American states which were signatories of the Briand–Kellogg and anti-war pacts, but not members of the League of Nations, to co-operate with the League in its efforts to prevent war and also in the study of plans for co-ordinating the two pacts with the League Covenant. In accordance with the traditional policy of their Government towards the League, the United States abstained from voting on this resolution; but it was approved by all the other American Governments.

Among the political questions on which the Conference was unable to come to any decision were the proposals for an Association or League of American Nations which had been laid before it by Colombia and the Dominican Republic. The idea of an American League was disliked in Argentina, Brazil and Chile, as well as in the United States, and it was eventually arranged that the question should stand over till the Lima Conference in 1938. A similar course was taken with regard to the questions of diplomatic protection and pecuniary claims, the Mexican proposal for a Code of Peace, and the proposals for an inter-American Court of Justice which had been submitted on behalf of Colombia, Costa Rica, the Dominican Republic, Guatemala, Mexico, Nicaragua, Panamá, Peru and Salvador. The question of disarmament had also come before the Conference and had been discussed at some length as early as the 7th December. A Chilean resolution proposing that all American armaments should be reduced to the lowest level necessary for defence and the maintenance of internal order was vehemently opposed by the Nicaraguan representative, who insisted that the larger American states could not be asked to limit their 'purely defensive preparations' so long as countries in Europe and Asia continued to arm. The resolution was supported by several delegations, including those of Uruguay and Brazil—the latter recommending that bilateral treaties should be

[1] Text in *International Conciliation*, March 1937, pp. 265–6, and in *Documents on International Affairs, 1936*, p. 594.

negotiated for the purpose. The delegations of the United States and of Argentina (the latter being the country against which the Chilean plan was believed to be directed) were, however, opposed to it, on the ground that disarmament was too complex and world-wide a problem to form the subject of a regional agreement. In the end the question was merely dealt with by resolutions recommending the conclusion of general and bilateral disarmament agreements, and the humanization of warfare.

As a result of the difficulty which it had had in reaching agreement on the political sections of its agenda, the Conference had even less time than had been expected to spare for economic questions. In his opening speech of the 5th December the Brazilian Foreign Minister, Senhor de Macedo Soares, had outlined a scheme for making the American republics self-sufficient and independent of Europe by means of a general reduction of tariffs, the stabilization of currencies and the creation of an inter-American central reserve bank and of wider facilities for credit; but hardly anything of these far-reaching proposals reappeared in the resolutions and recommendations which the Conference adopted on the 21st December. Two of these, put forward by the United States delegation, once more urged the gradual reduction of trade barriers and the equal treatment of all nations in foreign trade. Others instructed the Pan-American Union to look into the possibility of calling a conference on currency stabilization and the repeal of exchange restrictions. Neither these nor any of the other resolutions or recommendations, however, had any binding force, and many of them did no more than repeat declarations that had been made three years before at Montevideo. It seemed, indeed, as if Mr. Hull's campaign for the freeing of trade had still a long way to go before it would begin to influence the policy of Latin-American states, and that its chances of success might lie more in negotiating agreements with individual countries than in persuading a group of countries to draw up declarations or agreements for a tariff truce at an international conference.

Among the lesser agreements which were opened for signature on the 23rd December were conventions[1] on the Pan-American Highway, the exchange of teachers and students,[2] the exchange of publications, artistic exhibitions, the peaceful orientation of public instruction, and educational and publicity films. At its earlier sessions the Conference had also adopted resolutions on other subjects connected with intellectual co-operation and 'moral disarmament' and on miscel-

[1] Texts in *International Conciliation*, March 1937, pp. 230–9.

[2] See p. 826, above.

laneous questions such as radio transmission, women's rights and the codification of international law.[1]

Even this last session of the Conference was not free from the shadow of controversy, as was shown by the speeches made by certain of the leading delegates. In contrast to Mr. Hull, who dwelt on the measure of success that had been achieved in pursuing the aims which he had set forth in his speech of the 5th December,[2] and at the same time declared that the American nations saw 'the folly of seeking to build a Chinese wall round a hemisphere', Dr. Saavedra Lamas mingled criticism with his congratulations in the closing address which he delivered in his capacity as President of the Conference. After praising the good neighbour policy as a guiding principle in the relations between American states, he laid stress on the need for giving it the permanent sanction of law, and also on the disadvantages of the establishment of a system of the balance of power such as existed in Europe, or of any association between American nations except on a basis of absolute juridical equality. Moreover, he asked for a final consideration of the Monroe Doctrine at the Lima Conference, on the ground that its unilateral character was inconsistent with agreements freely negotiated between states of equal rank—a request which appeared to mean that these agreements did not automatically transform the doctrine, but that the United States must itself re-enunciate it on a multilateral instead of a unilateral basis.

Though the *de facto* revision of the Monroe Doctrine would be fully in harmony with the good neighbour policy, it would obviously be much more disagreeable for the United States Government to have the question openly discussed at the next Conference, or to make any formal withdrawal of their own earlier declarations, than to let the unilateral form of the doctrine be merged into the new system of neutrality and pacific settlement agreements. The results of the Conference were indeed far from being completely satisfactory to the United States Government. They had not been able to win full support among the Latin-American Governments for their neutrality proposals or for their permanent consultative committee, and though it was now agreed that the American republics should consult together in the event of danger of war at home or with a foreign Power, time alone would show whether consultation between states which

[1] For the text of all the resolutions and recommendations adopted by the Conference see *op. cit.*, pp. 247–89.

[2] See pp. 825–6, above. Text of Mr. Hull's last speech in *op. cit.*, pp. 215–20; extracts in *Documents on International Affairs, 1936*, pp. 594–7.

held such different opinions would be of practical use. As at the Montevideo Conference, indeed, the greatest success achieved by the United States delegation was the friendly atmosphere which it had done so much to create and which, this time, had survived the discussion of so many controversial points. This new Pan-American atmosphere may have been to some extent an artificial one, and conversation with ordinary people in Latin-American countries might have given a different impression. Nevertheless, the element of fiction in national attitudes of this sort in no way precluded them from playing a sometimes dangerously important part in international relations; and it was therefore all to the good that, in the distorted world of cartoons and political caricatures, President Roosevelt and Mr. Hull should have succeeded in replacing the picture of the Latin-American Babes in the Wood and their Wicked Uncle by one of the young and democratic American nations displaying 'to a darkened world the beacon of a just and permanent peace',[1] even if, at the moment, this vision presented a somewhat idealized version of the real state of things.

(ii) The Dispute between Bolivia and Paraguay in the Chaco Boreal (1934–7)

By the middle of June 1934 the Bolivian and Paraguayan armies had been fighting one another for two years in the Chaco Boreal, and any chance of a lasting settlement of the conflict, or even of a cessation of hostilities, seemed as far off as ever. As the origins and earlier history of the Chaco dispute have already been described in other volumes of this *Survey*,[2] it may perhaps be sufficient to give a very brief outline of them here. The Chaco was a vast and undeveloped region, the southern part of which was Argentinian territory, while the northern part, or Chaco Boreal, formed a debatable land between Bolivia and Paraguay. The Bolivians considered that they had a right to the whole of the North Chaco in virtue of the 'uti possidetis juris', the principle by which the frontiers of the successor states of the Spanish Colonial Empire were supposed to coincide with the boundaries of the administrative divisions out of which those states had been formed. They were chiefly interested in the Chaco as a means of securing a deep-water port on the River Paraguay which would provide an outlet for the trade of Eastern Bolivia, and which

[1] See Mr. Hull's speech of the 23rd December, 1936.

[2] See the *Survey for 1930*, Part V, section (viii), and the *Survey for 1933*, Part III, section (vi).

would restore to Bolivia the direct access to the sea which she had lost in consequence of her defeat in the war of 1879–83. The Paraguayans also based their claims on legal principles and historical precedents, and supported them by the assertion that their countrymen had shown themselves much more active than the Bolivians in developing and colonizing those parts of the Chaco which lay nearest to them. The regions colonized by them covered the south-eastern tip of the Chaco Boreal, in the angle between the rivers Paraguay and Pilcomayo, and extended northwards through the hinterland of the River Paraguay. That part of the Chaco Boreal which lay to the south of a tributary of the River Paraguay called the Rio Verde had, in fact, been awarded to Paraguay by an arbitral decision given by President Hayes of the United States in 1878. This award had, however, never been recognized by any Bolivian Government, on the ground that it had been pronounced in settlement of a dispute between Paraguay and Argentina, without any participation or consent on the part of Bolivia.

According to some observers, who were by no means all of them outright partisans of Paraguay, the question of oil played a considerable part among the origins, if not the immediate causes, of the war. Only a very small part, if any, of the South-East Bolivian oil-field lay within the extreme north-western borders of the area claimed by Paraguay, but the future of the oil-field as a whole depended on the finding of a convenient route by which its products might be exported. The oil-field was expected to be a rich one, and the Standard Oil Company of Bolivia, a subsidiary company of the Standard Oil Company of New Jersey, had held large concessions in that part of the country for purposes of exploration, though its holdings had been reduced from 3,500,000 hectares in 1921 to 350,000 hectares in 1934. At the time of the cancellation of the Standard Oil concession by the Bolivian Government, in 1937, the company were producing oil from half a dozen wells, two of which were definitely profitable (and had in fact supplied most of the petrol produced in Bolivia during the Chaco war). It was believed that the company hoped eventually to start producing for export and that they were making plans to build a pipe-line to some point on the River Paraguay, as the Pilcomayo was not navigable and there were trade restrictions as well as technical difficulties in the way of taking the pipe-line out through Argentina. In the summer of 1934, however, in order to refute allegations made by Paraguay that Standard Oil was backing the Bolivian Government, the Standard Oil Company of New Jersey informed the League of Nations that they had 'no plans or necessity for laying pipe-lines

across the disputed territory',[1] and that no part of their concession was situated within it. They also declared that they had remained strictly neutral throughout the war. Even if this were true, it was still probable that oil had been an important factor in the conflict, for the same motives which might have led the Standard Oil Company to support Bolivia against Paraguay held equally good in the case of Bolivian holders of concessions, and also of the Bolivian Government, who would stand to make a handsome profit for the state in the form of royalties and possibly also as a result of the increasing prosperity of the oil-producing districts.

Between 1879 and 1927 a long succession of agreements[2] were negotiated for the partition of the Chaco by direct agreement or by arbitration, none of which ever satisfied both parties well enough to be put into effect. Meanwhile the Bolivians had advanced to the south-east along the Pilcomayo into the Hayes Zone, and the Paraguayans had advanced westwards from the River Paraguay to meet them, and both sides had been building small fortified posts in the territory which they had occupied. As early as December 1928 fighting had broken out between the garrisons of these posts, and, though war had been averted by the help of the Council of the League of Nations and of the Pan-American Conference on Arbitration and Conciliation, mediation on the part of neutral states had not succeeded in bringing about a permanent settlement of the Chaco question or in putting a stop to the outbreak of hostilities in June 1932, which was to be the prelude to a three-years' war.

Greatly though they differed from one another in many respects, Bolivia and Paraguay were too evenly matched for the war to be quickly decided. Bolivia was the richer country of the two—especially since the price of tin had begun to rise again[3]—and the Bolivian Government had been able to strengthen their financial resources by restricting trade in foreign currencies and by imposing a levy of thirty-five per cent. of the value of exports to be paid in gold. The Bolivian Army had also a much larger population on which to draw for recruits, but this advantage was not so great as it seemed, for the rank and file was largely made up of Indians, who felt little interest in the Chaco quarrel and did not turn out to be very keen soldiers, and who, if they came from the Bolivian plateau, 12,000 feet or more above sea-level, found it difficult to keep alive at all, not to speak of fighting, on the low-lying plains of the Chaco. The Paraguayan rank

[1] See *The Financial News*, 25th August, 1934.
[2] See the *Survey for 1930*, pp. 423–5.
[3] See the *Survey for 1935*, vol. i, pp. 362–71.

and file, on the other hand, like the Guarani Indians from whom they were for the most part descended, were a warlike race and quite at home in a tropical climate, and the Paraguayan people as a whole felt themselves to be a united nation, while the growth of national consciousness in Bolivia had been hindered by the racial bitterness existing between Indians, mestizos and whites, and by the isolation of the provinces from each other and from the capital. In a long-drawn-out struggle Bolivia's greater resources of men and money might enable her to outlast Paraguay, but the war of 1866–70, in which Paraguay had held out for four years against the combined forces of Argentina, Brazil and Uruguay, had shown that the Paraguayans were capable of preferring extermination to surrender. It seemed, therefore, possible that even if Bolivia succeeded in breaking a desperate resistance of that kind, the cost to herself might be almost as disastrous.

During the two years of fighting, between June 1932 and June 1934,[1] the Bolivian Army had several times taken the offensive, but the Paraguayan Army had been able to hold up its advance and had subsequently driven it back out of the Hayes Zone and away from the River Paraguay. In the spring of 1934 the Bolivians were making a stand in defence of Fort Ballivian, their principal supply base on the Pilcomayo, rather more than half-way between their original front line and their head-quarters at Villa Montes in the far north-west corner of the Chaco. Throughout the summer the Paraguayans made repeated attacks on Fort Ballivian, and as they were, for the moment, unable to break through the Bolivian defences, they began making raids into other parts of the Chaco, both along the Paraguay River towards Puerto Suarez and in the north towards Carandaiti, a settlement where several roads met, and which was only about fifty miles from the boundary of Bolivia proper. When, in order to drive back the Paraguayan flying column which was threatening Carandaiti, the Bolivians transferred a large part of the garrison of Fort Ballivian, the Paraguayans profited by this opportunity to make a final attack on the fort, which they captured on the 17th November, 1934, and to advance still farther up the Pilcomayo. By the New Year they were within twenty-two miles of Villa Montes and were attacking along a sixty-mile front between the Pilcomayo and Carandaiti. The Bolivians had, however, taken up good defensive positions among the foot-hills of the Andes, and the rainy weather was in their favour. The Paraguayans gained a foothold in the hills to the north-west of Villa Montes, cut the road between

[1] See the *Survey for 1933*, pp. 398–403, 425–7.

Villa Montes and Santa Cruz, and crossed the Parapiti River into Bolivia proper, but against the main defences of Villa Montes they made hardly any progress at all. The Paraguayan Government had also hoped to take advantage of the fact that the people of the province of Santa Cruz were rather dissatisfied with the administration of the far-off Government at La Paz, but their broadcast propaganda and offers of immediate recognition and support if Santa Cruz declared its independence produced no effective response. In April 1935 the Paraguayans made another raid beyond the River Parapiti and captured the town of Charagua, 110 miles north of Villa Montes, but this raid had a very different sequel from those which had preceded the fall of Fort Ballivian. This time the Bolivians delivered a counter-attack into the centre of the Paraguayan lines, and the Paraguayans were forced to retreat across the Parapiti, while at the same time they had to resist another Bolivian offensive on their northern front. The events of the first four months of 1935 seemed, indeed, to show that the war was approaching a position of stalemate. The Paraguayan Army had not enough strength in men or armaments to take Villa Montes, and would not be able to advance any farther into Bolivia so long as there was any danger of a counter-attack from that point. On the other hand, though the Bolivians were in a position to stop the Paraguayans from advancing, they could only reconquer the Chaco by setting out on another campaign under circumstances which would be increasingly favourable to their opponents. For even if the Bolivians succeeded in driving the Paraguayans back this time, they would then be advancing once again farther and farther from their base of supplies into a desolate jungle where the Paraguayans were much more at home than they were. Thus, for the first time since the outbreak of hostilities, Bolivia and Paraguay were both at the same moment inclined to consider an offer of mediation, though it is not improbable that the more warlike partisans on either side may have valued a suspension of hostilities more as a breathing-space than as the first step towards a settlement that might call for concessions from both parties.

Up to this time the task of mediating between Bolivia and Paraguay had been a peculiarly interminable and thankless one. During the first two years of the war[1] attempts had been made by the Neutral Commission at Washington (representing the United States, Colombia, Cuba, Mexico and Uruguay); by the 'A.B.C.P.' group (Argentina, Brazil, Chile and Peru); by the united efforts of all the neutral American states at the Pan-American Conference at Monte-

[1] See the *Survey for 1933*, pp. 403 *seqq*.

video in December 1933; and by the Council of the League of Nations, which had sent a Commission to South America in the winter of 1933–4. The negotiations for a peaceful settlement of the dispute had, indeed, been hindered by the presence of so many mediators and by the differences in the points of view of each group and even of members of the same group, and these difficulties were to become, if anything, more serious during the last two years of the war.

For instance, the states members of the League were extremely unwilling to intervene in a part of the world where the Monroe Doctrine applied, while the Government of the United States were just as unwilling to co-operate with the League in any way that would entangle them in its system of security, and it was not at all certain what the attitude of the United States would be if the League took drastic action against either or both of the belligerents. In accordance with the 'good neighbour' policy which the United States had, of late years, been pursuing towards Latin America,[1] it was, however, the aim of the United States Government to maintain complete neutrality and at the same time to do all in their power to promote a settlement by conciliation. With this end in view, they were ready to give their moral support, if not their active co-operation, to the attempts at mediation made by the League, and between the years 1929 and 1933 they had taken a leading part in the work of the Washington Committee of Neutrals.

The Washington Committee, however, had never included representatives of the three most powerful Latin-American states, Argentina, Brazil and Chile, or of Peru, who with them made up the circle of states having a common frontier with Bolivia and Paraguay. These states had, indeed, formed themselves into a separate group[2] and had kept somewhat aloof from the work of the Washington Committee, possibly through a fear that the peace negotiations might be too much dominated by the United States. They also disliked the idea of interference by European Powers in Latin America, and were particularly unwilling to take part in any scheme for enforcing peace through the League—as they were to show when the application of Article 16 of the Covenant came under discussion in March 1935—but, like the United States, they saw fewer objections in the League's policy of conciliation. The four members of the 'A.B.C.P.' group were not, however, always in complete agreement as to the policy to be pursued, and the group was also divided against itself as a result

[1] See the *Survey for 1930*, Part V, section (i); the *Survey for 1933*, Part III, section (i) and p. 331; and section (i) of this part of the present volume, pp. 806 *seqq.*

[2] See the *Survey for 1933*, pp. 409, 415–16.

of the different positions in which its members stood with regard to the belligerents. The Brazilians appear to have maintained their neutrality so successfully as to escape any accusation of favouring one side or the other. The Argentinian Government, however, and influential sections of public opinion in that country were inclined to support Paraguay, because Argentinian citizens had acquired large estates and commercial interests both in Paraguay proper and in the Chaco itself. Besides this, it was rather more to the interests of Argentina that the trade of South-East Bolivia should not find an outlet by the River Paraguay, but by some way that would be more profitable to the customs revenue of Argentina and to Argentinian harbour and transport interests. At intervals the Argentinian Government were reported to be considering plans for building railways or canals into Bolivia, but they never seem to have been willing to offer the Bolivians any very attractive concessions as to tariffs or trade restrictions. Chile and Peru, on the other hand, were more closely connected with Bolivia than with Paraguay, and it was asserted on the Paraguayan side that both these states, but particularly Chile, were anxious that Bolivia should win the war and thereby gain an outlet to the Atlantic which might reconcile her to the loss of her Pacific sea-board. In consequence, while Bolivia was apt to be suspicious of the impartiality of Argentina as a mediator, Paraguay was even more suspicious with regard to Chile and Peru. It is only fair to say, however, that even if the attempts at mediation had been carried on under the best possible conditions during all this time, the mediators would have stood very little chance of overcoming the intransigence of Bolivia and Paraguay themselves. According to the fortunes of war at the moment, one or other of the belligerents would be anxious to make a show of reasonableness, and both of them were generally quick enough to announce their acceptance 'in principle' of any proposal for the negotiation of an agreement to seek an arbitral settlement. But when the time came to discuss the provisions of such an agreement, or to decide whether its negotiation and ratification should precede or follow the cessation of hostilities, the demands which they made generally proved to be quite irreconcilable. If any delegate did offer to make concessions his action would be repudiated by his Government and he himself would probably be committing political suicide. Two Foreign Ministers, Señor Bustamante in Bolivia and Señor Pastor Benitez in Paraguay, had, indeed, been forced to resign on this very account.

The claims put forward by Bolivia and Paraguay during the earlier part of the war have been described in a previous volume of this

Survey.[1] In the early summer of 1934 the position was as follows. With regard to the scope of the arbitration agreement, the Bolivian Government were willing to accept the Permanent Court of International Justice as arbitrator, but they were strongly opposed to the Paraguayan Government's contention that the dispute turned on a question of boundaries, and they insisted that the Court must pronounce upon the territorial sovereignty over the whole of the Chaco. In their view it was also desirable that the arbitration agreement should define the maximum claims of both parties on the basis of the statements which they had already laid before the League of Nations; that is to say, that the Bolivian claim should be held to extend down to the junction of the Rivers Paraguay and Pilcomayo, and that the northern limits of the Paraguayan claim should be the River Parapiti, the Chiriguanos Mountains and the River Otuquis. Moreover, they held that the Court should not deal with claims going beyond these limits, or discuss any points other than those which had been specified in the agreement. This definition of the zone to be submitted to arbitration was considerably wider than the claim made by Bolivia in February 1933 that arbitration should only apply to the district south of parallel 21° and east of meridian 59° 55′ which had already been colonized by Paraguay. It would still, however, have the advantage, from the Bolivian point of view, of fixing a definite limit to the Paraguayan claims which, unlike those of Bolivia, were not already defined by any obvious natural frontiers.

The Paraguayan Government, on the other hand, did not wish the arbitral procedure to be applied to the west bank of the River Paraguay or to the Hayes Zone in the south-eastern tip of the Chaco.[2] The Chaco Commission of the League of Nations had proposed that Bolivia should withdraw her reservations regarding the immediate award of the Hayes Zone to Paraguay, and that Paraguay should, in return, withdraw the reservations which she had made on the subject of the frontier line established between Bolivia and Brazil by the Treaty of Petropolis. This proposal had not, however, met with any approval from the Paraguayan Government, who were maintaining their claim to the west bank of the River Paraguay, or from the Bolivian Government, who were of the opinion that this northern zone—which would give Bolivia undisputed possession of a small and primitive harbour at Puerto Suarez—was not equal in value to the Hayes Zone, apart from the fact that they considered it to be Bolivian territory already.

[1] See the *Survey for 1933*, pp. 393–5 and *n*., 405–6, 416, 429.
[2] See p. 838, above.

With regard to the cessation of hostilities, the Bolivians took the view that the negotiation of the arbitration agreement must come first, and that hostilities should only cease after its ratification by both parties; but the Paraguayans were in favour of an immediate cessation of hostilities accompanied by guarantees of security such as the demobilization of the two armies and the reduction of their armaments. Difficulties also arose over any plan for establishing a neutral zone in the Chaco, as neither Government liked the idea of withdrawing their troops from the positions which they were holding. In the spring of 1934 it was the Paraguayans who were taking the offensive and who were therefore particularly unwilling to retire from ground which they had just conquered.

During the winter of 1933–4 the League Council had sent a Commission to South America to inquire into the circumstances of the dispute and to undertake negotiations for a cessation of hostilities and for a settlement of the territorial question, but this Commission had not succeeded in finding a solution which would be acceptable to either Bolivia or Paraguay.[1] In the report[2] which the Commission had drawn up after its return to Europe it had laid stress on the need for checking the flow of arms and munitions to the Chaco, and in May 1934 the League Council had instructed its Committee of Three[3] to get into touch with those Governments whose collaboration would be necessary if an effective arms embargo were to be maintained against both Bolivia and Paraguay.[4] These negotiations lasted all through the summer, owing to the obstructive attitude of some of the Governments concerned, but on the 25th September the League Secretariat was able to issue a statement[5] showing that twenty-seven out of the thirty-five Governments who had been consulted, including Germany and the United States of America, had taken steps to prohibit the supply of arms and war material from their territory, while three others, Guatemala, Mexico and Panamá, had declared their willingness to take measures of this kind.

Of the four neighbouring states whose co-operation was particularly important if the embargo were to be effective, Argentina was already prohibiting the sale and transit of arms, in accordance with

[1] For the text of the draft treaty presented by the Commission and of the Bolivian and Paraguayan replies to it, see *League of Nations Official Journal*, July 1934, pp. 789–96.

[2] League of Nations Publication, *VII. Political. 1934. VII. 1.*

[3] For the appointment of this Committee see the *Survey for 1933*, p. 412. In May 1934 it consisted of the representatives of Mexico, Spain and Czechoslovakia.

[4] For a fuller account of the arms embargo negotiations, see *op. cit.*, pp. 418–19, 432–8.

[5] Text in *League of Nations Official Journal*, November 1934, pp. 1610–11.

her declaration of neutrality of the 13th May, 1933, while Brazil had made a declaration which forbade Brazilians to export or supply war material, but did not contain any explicit prohibition with regard to transit. The Chilean Government, however, had made their acceptance of the embargo on the export and re-export of arms conditional on that of other Powers, including Japan,[1] and were not willing to stop the transit of arms until the embargo on exports had been effectively applied. As the Government of Peru decided to make the application of the embargo conditional on the steps which might be taken by Chile, and the Uruguayan Government were only willing to associate themselves with those measures proposed by the League which were accepted by all the other neighbouring countries, it did not seem as if either Bolivia or Paraguay would have much to fear from the embargo.

An effective transit embargo, however, would have been more to the disadvantage of the Bolivians than of the Paraguayans, who had access to the sea by way of the internationalized River Paraguay. In the hope of delaying the application of the proposal, the Bolivian Government had asked on the 31st May that the dispute should be considered by the Council under Article 15 of the Covenant, and had proposed shortly afterwards that it should be referred to the Assembly. The Council had, however, decided that it would be quite in accordance with the Covenant for the Committee of Three to proceed with the arms embargo negotiations, and the Committee of Three had subsequently come to the conclusion that there was no need to convene a special session of the Assembly.

During the interval before the next regular meetings of the League Council and Assembly were due to take place in September 1934, the initiative in the matter of peace negotiations had passed from the League of Nations to the Latin-American states. As early as the 25th May the Argentinian Government had offered the belligerents a new peace plan,[2] and on the 16th June the Presidents of Colombia and Peru invited the Bolivian and Paraguayan Governments to send representatives to meet at Bogota or Lima and decide on the best procedure for mediation.[3] Neither of these *démarches*, however, resulted in any progress being made towards a settlement.

[1] The Japanese Government had not felt able to take part in any political action undertaken by the League of Nations, but they had stated at the same time that Japan did not export any arms to either Bolivia or Paraguay.

[2] For the text of this plan see *League of Nations Official Journal*, Special Supplement, No. 124, p. 170.

[3] Text of invitation in *League of Nations Official Journal*, July 1934, pp. 851–2.

As has been mentioned above, there were, in any case, serious obstacles in the way of united and effective action on the part of the 'A.B.C.P. Group', and at this time these difficulties were aggravated by the increasing hostility which was displayed by the Paraguayans towards Chile, and to a lesser degree towards Peru. The Paraguayan Government were, in fact, reported to have rejected the latest 'A.B.C.P.' offer on the ground that neither Chile nor Peru could be relied upon to be sufficiently impartial to act as mediator. Besides objecting to the action of Chile and Peru in continuing to allow the transit of munitions across their territory, the Paraguayans took exception to the employment of retired Chilean army officers as instructors in the Bolivian Army and to the recruiting of Chilean labourers for work in the mines, and, as it was mistakenly alleged in Paraguay, for service in the Bolivian Army. A press campaign on these lines was carried on with such violence in Paraguay that on the 7th August, 1934, the Chilean Government, who had already made several energetic protests on the subject, announced their decision to withdraw their diplomatic representative from Asuncion. The Governments of Argentina, Brazil and the United States immediately offered their assistance in effecting a reconciliation, a conciliatory answer was returned from Paraguay, and the Chilean Government let it be known that a Bill prohibiting the enlistment of Chilean nationals in the army of any foreign Power would be passed into law as soon as possible. Thereafter conversations took place at Buenos Aires under the auspices of Argentina, Brazil and the United States, but it was not until the 17th September that an agreement for the resumption of full diplomatic relations was concluded.

The three Powers who had succeeded in lessening the tension between Paraguay and Chile had already made an attempt to settle the Chaco conflict itself. On the 12th July, 1934, the Argentinian Foreign Minister, Dr. Saavedra Lamas, acting with the support of Brazil and of the United States, had laid before the belligerents a seven-point formula[1] based on the principles of the American states' declaration of the 3rd August, 1932, on the non-recognition of territorial acquisitions obtained by force of arms,[2] and also on the principles of the Rio de Janeiro anti-war pact of the 10th October, 1933.[3] This formula was drafted in more general terms than the two last

[1] For the text of this formula see *League of Nations Official Journal*, Special Supplement, No. 124, pp. 9–10.
[2] See the *Survey for 1933*, pp. 407–8.
[3] *Op. cit.*, pp. 336–7, 341–2 and *n.*

peace plans, but though it was for some weeks the subject of confidential negotiations, it proved to be no more acceptable to Bolivia and Paraguay than the others had been. In addition to their former contention that the cessation of hostilities must depend on the ratification of the arbitration or conciliation agreement, the Bolivian Government made their acceptance of the formula conditional on the recognition of their right of ownership over the Paraguay river zone and on the inclusion of Chile and Peru among the states who were to be invited to take part in the proposed peace conference at Buenos Aires. None of these conditions were likely to find much favour with the Paraguayans, who were in any case not at all willing to accept Dr. Saavedra Lamas's arbitration proposals, and whose troops happened at the moment to be advancing far into the North-West Chaco. The Paraguayan war aims were, in fact, most uncompromisingly expounded about this time by President Ayala himself, who stated, in an interview which was published on the 5th September, 1934, that the Paraguayans meant to drive the Bolivians right out of the Chaco and would then build a strong line of defences to keep them from coming back. On the other hand, the Bolivian Government and General Staff were not at all anxious to cut their losses and accept a compromise—partly, it seems, because they hoped that conditions would be more favourable to them in the rainy season.

It is, therefore, hardly surprising that the peace negotiations should have made very little progress by the time when the fifteenth session of the League Assembly opened on the 10th September, 1934. The Argentinian Government now instructed their representative at Geneva to make a statement with regard to the seven-point formula, which was the first detailed announcement to be made public and which implied that the attempt at mediation had failed and that the dispute must once more be referred back to the League of Nations. This move did not meet with the entire approval of the United States and of Brazil, who would have preferred to see the dispute settled in America rather than at Geneva, and it was strongly criticized by the Bolivian Government, who wished the peace negotiations to remain confidential (and ineffective), and by the equally obstinate Paraguayan Government.

In any case, the Chaco dispute had already been placed on the agenda of the Assembly, in consequence of the Bolivian appeal under Article 15 of the Covenant, by a resolution adopted by the Council on the 7th September. The Paraguayan Government had claimed that Article 15 could not be applied in full, in this case, because

hostilities were already in progress, but their objections were set aside by the First Committee of the Assembly.[1] This committee also discussed the legal position with regard to the arms embargo, and came to the conclusion that states members might apply the embargo without any application of an article of the Covenant, without the Covenant being in any way infringed.[2] The committee, however, had not time to reach a decision on the more difficult question of the prohibition of the supply of arms as a result of the application of the Covenant, and, at the request of the Assembly, the Council subsequently decided that a special study of this problem from the standpoint of pure law and of the interpretation of the Covenant should be undertaken by a committee of experts appointed by the Governments of China, Colombia, France, Great Britain, Greece, Italy and the Netherlands.

Meanwhile the dispute had also been considered by the Sixth Committee of the Assembly, which drafted three resolutions[3] on the subject; and these were adopted by the Assembly in plenary session on the 27th September. The first resolution declared that the dispute had been referred in due form to the Assembly, which was 'obliged to follow the procedure provided in Article 15 of the Covenant'. The second laid down that 'while endeavouring to secure a settlement of the dispute by the procedure of conciliation provided for in Article 15, paragraph 3', the Assembly 'should forthwith take steps to prepare the report contemplated in paragraph 4 of the same article, on the understanding that the conciliation procedure' should 'remain open until the report' had 'been adopted'. By the third resolution the Assembly entrusted this double mission to a committee consisting of the members of the Council together with the representatives of Colombia, Cuba, Peru and Uruguay, and of four other states to be chosen by the Assembly. The representatives of China, the Irish Free State, Sweden and Venezuela were elected to fill these additional places, and the Czechoslovak representative, Monsieur Osusky, was elected chairman of the committee.[4]

[1] For the legal opinion given by the Committee see *League of Nations Official Journal*, Special Supplement, No. 124, pp. 166–7.

[2] See *op. cit.*, pp. 167–8.

[3] Text in *op. cit.*, p. 88.

[4] The representative of Czechoslovakia on the League Council had taken part in the work of the Committee of Three, and it happened at that time to be the Czechoslovakian representative's turn to act as President of the Council itself. It was probable that the interest which was afterwards shown by the Czechoslovakian Government in the application of the Covenant against the state technically guilty of aggression (which happened to be Paraguay) was

The leading part in the ensuing conciliation negotiations was, however, taken by the Latin-American members of the committee. At the request of the Uruguayan delegate, who raised the question of the Monroe Doctrine, a Conciliation Sub-Committee[1] was appointed, all of whose members were Latin Americans except Monsieur Osusky, who was again acting as chairman, and even this sub-committee delegated much of its work to a group of five of its Latin-American members: Argentina, Chile, Mexico, Peru and Venezuela. The Conciliation Sub-Committee's invitation to send delegates with full powers to negotiate was accepted by the Bolivian Government, but the Paraguayan Government would only accept it on condition that the cessation of hostilities should be the first question to be discussed and that these negotiations should be kept absolutely distinct from those with regard to the ownership of the Chaco. The sub-committee's terms of reference did not, however, allow of its agreeing to these conditions. The Paraguayan Government did eventually send a delegate, and statements from both parties to the dispute were heard by the sub-committee's delegation of five on the 8th November; but no basis for conciliation was to be found in the claims which they put forward, and the committee appointed by the Assembly therefore set about preparing its report, which was published on the 18th November, 1934.

The recommendations of this report[2] were presented as an indivisible whole which each of the parties was called upon to accept as soon as possible and on the sole condition that they were also accepted by the other party. With regard to the cessation of hostilities and measures for the guaranteeing of security, the report provided that the Bolivian and Paraguayan Governments should 'order their troops to cease all hostilities' within six days from the date

a natural consequence of Czechoslovakia's general policy of promoting collective security. It was, however, equally natural that the Paraguayans should have called their disinterestedness in question by pointing to the despatch of a Czechoslovakian military mission to Bolivia in the summer of 1934, and by accusing Czechoslovakian firms of supplying Bolivia with armaments. The Paraguayans also explained the similar attitude adopted by the U.S.S.R. by alleging that the Soviet Government were prejudiced against them because so many White Russians and Russian Mennonites had taken refuge in their country.

[1] For the reports issued by the sub-committee see *League of Nations Official Journal*, Special Supplement, No. 132, pp. 64–70.

[2] The original draft of the report was published as League of Nations Publication: *A. Extr. 1. 1934 VII*; the passages which were replaced by amendments are quoted in *League of Nations Official Journal*, Special Supplement, No. 132, pp. 30–3; and the text adopted by the Assembly appears in *op. cit.*, pp. 43–51. The final text will also be found in *Documents on International Affairs, 1936*, pp. 519–38.

on which they received a notification that both parties had accepted the Assembly's recommendations. Both armies would then withdraw their advanced lines at least fifty kilometres to form a neutral zone, and within a certain distance behind their new front lines they would not be permitted to add to their equipment or fortifications. They would also be gradually demobilized and proportionately reduced in size. These measures of security would be carried out under the supervision of a neutral commission, consisting of representatives of Argentina, Chile, Peru and Uruguay. The Assembly subsequently added an invitation to the Governments of Brazil and of the United States to take part in the work of the Commission.

Within one month after the cessation of hostilities a peace conference would open at Buenos Aires. Invitations to take part in this conference would be sent to the adjacent states, the states represented on the Washington Commission of Neutrals, and Ecuador and Venezuela, as well as to the belligerents, and the subjects under discussion would be the final delimitation of the frontier, questions of transit, commerce and navigation, and measures of security to replace the preliminary measures provided in the Assembly's report. If after two months of negotiations the frontier was not fixed and no arbitration agreement had been concluded, the Permanent Court of International Justice would be called upon to decide what districts, if any, should be evacuated by one party and handed over to the other. By accepting the recommendations, Bolivia and Paraguay would thus have agreed beforehand on the definition of the case which would go before the Court, and would have pledged themselves to accept and execute the Court's judgment. Time limits were also fixed for the negotiations on economic questions and security, and it was arranged that any disputed points should be referred, in the one case, to a committee of economic experts appointed by the League Council, and in the other to the Neutral Supervisory Commission, but that, in the last resort, both classes of disputes should be settled by arbitration.

After expressing its approval of the prohibition of the supply of arms to both Bolivia and Paraguay, the report went on to recommend states members, in any decisions which they might have to take with regard to modifying the embargo, 'to have regard to the action taken by each of the parties upon the Assembly's recommendations', and to take into consideration the opinion of the Advisory Committee provided for in the last section of the report. The states represented on this committee would be the members of the Council together with Colombia, Cuba, Ecuador, the Irish Free

State, Peru, Uruguay and Venezuela, nine out of the twenty-one members being Latin American. It would be the duty of the committee to follow the situation, and 'to assist the members of the League to concert their action and their attitude among themselves and with non-member states, more especially as regards the prohibition of the supply of arms', and the Governments of the United States and of Brazil would also be invited to collaborate in its work.

These two states had already refused an invitation to co-operate with the committee appointed by the Assembly which had made the final attempt at conciliation and which had drafted the report. The Brazilian Government had, on that occasion, expressed their willingness to consider any measures which might be taken in harmony with the League of Nations, especially a new peace offer by the American states, and the Government of the United States had let it be known that they would themselves approach the League with an offer of collaboration if circumstances should become more favourable.[1] In answer to the invitations which they eventually received from the Assembly, the two Governments agreed to take part in the work of the Neutral Supervisory Commission and the Buenos Aires Conference, but felt that it would be inadvisable for states which were not members of the League to collaborate in that of the Advisory Committee. Nevertheless the United States Consul-General at Geneva was instructed to maintain informal contact with the members of the Advisory Committee, and the Brazilian Government instructed their consular representative to keep in touch with the League Secretariat.[2] The two Governments were, of course, acting independently of one another, but the United States Department of State had consulted the Governments of the 'A.B.C.P.' states and of Uruguay while preparing its reply.

At the extraordinary session of the Assembly which was convened for the purpose of considering the report and which opened on the 20th November,[3] it was evident that the European states members of the League were becoming increasingly interested in the Chaco dispute as a demonstration of the League's methods of conciliation or of coercion which might create important precedents for future action by the League in disputes of greater European concern. For instance, the delegates of the Balkan Entente states wished it to be made clear that an arms embargo could only be imposed as a

[1] See the *Journal de Genève*, 20th November, 1934, and *The New York Times*, 17th November, 1934.

[2] For the replies from these Governments see *op. cit.*, pp. 78–80.

[3] For the proceedings of this session of the Assembly see *League of Nations Official Journal*, Special Supplement, No. 132, pp. 1–41.

sanction against a state which had already been declared to be the aggressor, since it might otherwise be more of a punishment to the state which had been attacked, particularly if that state did not manufacture armaments. Their proposal that the embargo should only be enforced against the state or states which did not accept the Assembly's recommendations was supported by the Afghan and Persian delegates, but was criticized by the representatives of several European Powers. The Italian delegate agreed that, as a general rule, an arms embargo could not be decided upon 'except as part of the procedure laid down in the Covenant and without previously determining which state or states' might 'be responsible for the conflict',[1] but he came to the conclusion that, in this particular case, the Assembly might approve the prohibition of the supply of armaments, as both Bolivia and Paraguay were responsible for the violation of the Covenant. The French and Polish delegates expressed agreement with this view, and Mr. Eden went much further in his approval of the proposals contained in the report. He declared that 'the embargo was never intended as a sanction against the aggressor, but as . . . the best practical means at our disposal . . . to stop fighting which' had 'been going on for some years',[2] and he urged all states members to apply the embargo as strictly as possible. As a result of this discussion, the paragraph dealing with the arms embargo was amended in such a way as to show clearly that this was an exceptional case which could not in any way create a precedent. Most of the speakers, indeed, were careful to lay stress on the special circumstances of the case, though the Spanish delegate, Señor de Madariaga, also reminded the Assembly that most of the questions referred to the League proved to be exceptional in one way or another.

The question of determining the aggressor was raised again, this time directly with a view to supplementing the Assembly's recommendations, by the representatives of Spain, Switzerland and the three Scandinavian states, who proposed an additional resolution to the effect that, if both parties had not accepted the recommendations by a given date in December, the Permanent Court of International Justice should be asked to give an advisory opinion concerning the sovereignty over the Chaco, according to the formula provided in the report, in order that the states members of the League might be able to form an opinion as to which party had entered the territory of the other in violation of Article 10 of the Covenant. The General Committee of the Assembly considered, however, that the belligerents might be too ready to avail themselves of this procedure as

[1] *Op. cit.*, p. 27. [2] *Op. cit., loc. cit.*

an alternative to the Assembly's recommendations, though it was decided that the Court might be asked to give an opinion when the Advisory Committee considered such a consultation to be justifiable.

Suggestions for making the report more effective were also put forward on behalf of the U.S.S.R., whose representative on the committee which drafted the report had already proposed, but without success, that the embargo should be made compulsory for all states members, and should be enforced under international supervision. Monsieur Litvinov now urged that the transit, as well as the supply and sale, of arms should be prohibited, and that as short a time-limit as possible should be fixed for the acceptance of the recommendations. Neither of these proposals was accepted by the Assembly. On the other hand, several changes were made in the hope of satisfying the objections which the Paraguayan delegate had laid before the Assembly's General Committee.[1] In the first draft of the report a time-limit for the meeting of the Advisory Committee at which the Bolivian and Paraguayan replies were to be considered had been fixed at the 12th December, but it was now extended to the 20th; the width of the neutral zone was no longer fixed by the report but was to be decided by the Neutral Supervisory Commission; and the wording of the report was redrafted in such a way as to lay stress on the fact that the cessation of hostilities would not be provisional but final, and to enumerate some of the measures of security desired by Paraguay under the heading of demobilization. Thus amended, the report was adopted unanimously by the Assembly on the 24th November, 1934, the parties to the dispute refraining from voting. Thereupon the Uruguayan representative proposed that the Assembly should telegraph an appeal to both parties urging them to settle the dispute by peaceful means. The Assembly accepted this suggestion with some hesitation and on condition that the wording of the appeal should not give Bolivia and Paraguay any reason to think that it was still possible for them to choose between conciliation and the acceptance of the report.

The Bolivian Government accepted the Assembly's recommendations on the 10th December, on condition that their acceptance would not constitute a precedent and that it would not be binding unless all the recommendations were loyally carried out. The Paraguayan Government, on the other hand, were most unwilling that their troops, who were at that time advancing rapidly towards Villa Montes, should have to withdraw from any of the ground that they had gained, or that they should be prevented from strengthening their

[1] Text of statement in *op. cit.*, pp. 70–2.

position behind the front. In communications which they addressed to the League of Nations on the 18th and 26th December[1] they asserted that the proposals for a neutral zone were quite impracticable and that the Paraguayan Army would have to retire into an undeveloped and waterless country, while the Bolivian Army would be retiring into a fertile region with good communications. They also complained that the arrangements for the cessation of hostilities would still leave both armies on a war footing, that no provision was made for an inquiry into war guilt, and that the time-limits for the various sets of negotiations were far too short. They objected equally strongly to the formula to be referred to the Permanent Court of International Justice, because it included the Hayes Zone and questions of economic relations and security, and because it seemed to them to admit the Bolivian claim that the dispute was a territorial one. Moreover, they insisted that Paraguay could not forgo the right to negotiate an agreement herself with Bolivia as to the subject of the arbitral award.

At the meeting on the 20th–21st December, at which it took cognizance of the first of these Paraguayan communications, the Advisory Committee also discussed the working of the arms embargo. The British Government laid communications before it with regard to cases of the supply of armaments from Belgium and Norway; the representatives of Chile and Uruguay made statements justifying the attitude of their Governments on the question of the transit of these supplies; and the Bolivian representative proposed that the embargo should now be raised in favour of Bolivia as that country had accepted the Assembly's recommendations. This latter suggestion received the support of Czechoslovakia, France, Italy, the U.S.S.R. and other states. The British delegate, on the other hand, was unwilling to take any definite step before the implications of the general policy of neutrality recently adopted by the United States became more fully known.

The attitude of the United States and of the other American states was, in fact, still rather uncertain. The Argentinian Government had tried to persuade the Paraguayan Government to accept the Assembly's recommendations, and in the middle of December, when it was already practically certain that Paraguay would reject the recommendations, they had been consulting with the diplomatic representatives of Brazil, Chile and the United States. Further conversations took place in Washington at the turn of the years 1934

[1] Text in *League of Nations Official Journal*, Special Supplement, No. 132, pp. 75–6; No. 133, pp. 45–8.

and 1935, when Mr. Hull proposed that the 'A.B.C.P.' states and Uruguay should once more take the initiative in order that the Buenos Aires Conference might be convened with the least possible delay and that the application of sanctions might be forestalled. The Chilean and Peruvian Governments were reported to have agreed to this, and it was the Argentinian Government who insisted that the settlement of the dispute must remain in the hands of the League. The Bolivian Government were also opposed to Mr. Hull's proposal, and on the 9th January, 1935, they addressed a memorandum to all the neutral American states urging them to give their support to the compulsory procedure provided for in the Covenant.[1]

When the proposal to enforce the arms embargo against Paraguay alone came before the Advisory Committee at its next meeting on the 14th–16th January, Mr. Eden explicitly supported it, and both he and Monsieur Massigli proposed that it should be made more effective by prohibiting the transit of armaments. The representatives of Sweden and of Spain once more showed themselves active in the cause of collective security, the Soviet delegate openly referred to the application of sanctions, and several even of the Latin-American members of the committee appeared to approve of more drastic measures being taken against Paraguay. The Venezuelan delegate's objections to regional negotiations may have been connected with the fact that Venezuela did not belong to the 'A.B.C.P.' group, but the delegate from Argentina also spoke in favour of the full application of the Covenant. The Chilean delegate's suggestion that the application of Article 16 might be studied may, however, have indicated anxiety on the part of his Government rather than unqualified support for the League's action, and the representatives of Argentina and Uruguay, if not of other states as well, afterwards claimed to have made important reservations[2] with regard to the report which the Advisory Committee adopted on the 16th January.[3] The first part of this report recalled that Bolivia had accepted the Assembly's recommendations while Paraguay had not; that members of the League might not resort to war until three months after the Assembly had adopted its report; and that, in any case, they might not resort to war with the party which accepted the recommendations, so that Paraguay must therefore refrain from resorting to war with Bolivia. The report then recommended states members to cease to enforce the

[1] Text in *League of Nations Official Journal*, Special Supplement, No. 133, pp. 48–9.

[2] See p. 859, below.

[3] Text in *League of Nations Official Journal*, Special Supplement, No. 133, pp. 49–50.

arms embargo against Bolivia and, in so far as they continued to apply it (i.e. against Paraguay), to supplement the measures which were already in force, 'in particular by the prohibition of the re-export or through transit of war material', and that, in general, they 'should not authorise exports of war material except to Governments or agents of Governments properly accredited'.[1]

At the request of the Advisory Committee the report was communicated to the United States and to Brazil, but it was not likely that either Government would be able or willing to raise the arms embargo against Bolivia while maintaining it against Paraguay. In the case of the United States, the Foreign Relations Committee of the Senate had already refused to allow an embargo to be declared against one belligerent and not against the other, when the subject had been under discussion the year before. Moreover, President Roosevelt's Administration had no wish to abandon its existing policy of neutrality, or to become entangled in any attempt to apply sanctions. It was reported that many of the officials of the Department of State would, in any case, have preferred to see the dispute settled in America rather than at Geneva, and that some anxiety was felt lest the Soviet Government might be chiefly interested in sanctions against Paraguay as a rehearsal for sanctions against Japan.

[1] By the 16th May, 1935, twenty-two Governments had informed the Secretary-General that they had taken, or were about to take, steps to cancel the arms embargo against Bolivia, but Norway was among those states which decided to maintain the embargo against both countries. Among the Latin-American states, the Mexican Government had promised to introduce the necessary legislation, and the Government of Ecuador, a country where no armaments were manufactured, had declared their approval in principle of the proposal to raise the embargo against Bolivia. The Governments of Nicaragua, Panamá and Venezuela had merely acknowledged the Secretary-General's circular letter, without agreeing to take any action. The only other Latin-American Government to reply at all were the Argentinian Government, who declared that the Bolivian plateau was too far away from any of the Argentinian ports for there to be any traffic in arms between them and that they had, from the beginning of the war, done everything to prevent the re-export or transit of war material for Paraguay. With regard to the transit embargo, most Governments considered that the measures which they had already taken and their usual methods of supervising the export of arms would be a sufficient check. On the 22nd June, 1935, ten days after the protocol for the cessation of hostilities had been signed (see p. 863, below), the Chairman of the Advisory Committee addressed a letter to the Governments who were members of the committee, recommending that the discriminatory measures against Paraguay should be suspended. By the following November nineteen Governments had informed the League of Nations that they were taking steps to raise the embargo. (For correspondence on this subject see *League of Nations Official Journal, Special Supplements*, No. 134, pp. 62–9, and No. 135, pp. 43–5, and *League of Nations Official Journal*, July 1935, pp. 905–8; September 1935, pp. 985–8; December 1935, pp. 1654–60.)

A more serious objection was that, for practical purposes, if not in law, the arms embargo in its new form differed very little from a sanction against Paraguay and that it was still possible, at this time, that the states members of the League might wish to supplement it by an economic boycott enforced by a blockade. The disapproval with which any plan of this kind might be received by the Government of the United States, and still more by certain sections of public opinion in that country, seemed likely, however, to form an insurmountable obstacle to its being put into effect. Incidentally, as the leading part in enforcing a blockade would have to be taken by Great Britain, any attempt to take this action without the consent of the United States might have a harmful effect on Anglo-American relations. This was not the only reason why the states members of the League found themselves in a difficult position when, on the 23rd February, 1935—the day before the expiry of the time-limit of three months from the date of the adoption of the report by the Assembly—the Paraguayan Government sent a final communication[1] to the League maintaining all their objections to the recommendations, protesting emphatically against the modification of the arms embargo, and concluding with a notification of Paraguay's intention to withdraw from membership of the League altogether. Even if the United States had been willing to acquiesce in the enforcement of sanctions against Paraguay, the success of any action taken by the League would still have depended on the Latin-American states, without whose consent the Council and Assembly could not take the necessary decisions, and, in particular, on the neighbouring states, without whose active co-operation those decisions could not be carried out. Among these states, too, however, anti-sanctionist feeling was growing more noticeable, and it was reported that all the neighbouring states, led by Argentina, had already informally notified the Secretary-General that they could not agree to sanctions of any kind being imposed.

This development in the policy of the Latin-American states seems at first sight somewhat difficult to reconcile with the statements which their representatives were reported to have made at the meeting of the Advisory Committee in January 1935. Indeed, the Paraguayan Government had complained in their communication of the 23rd February that some of these states had given them assurances before the committee met that they would support the Paraguayan claim that certain points of the Assembly's recommendations should

[1] Text in *League of Nations Official Journal*, Special Supplement, No. 134, p. 55.

be reconsidered, and that they would oppose all plans for sanctions. Replies to these allegations were made by two of the states concerned, Argentina and Uruguay, at meetings of the Advisory Committee on the 11th and 13th March. Señor Cantilo, the Argentinian representative, explained that his Government had only agreed to the raising of the arms embargo against Bolivia because they considered that this was not a sanction at all, but a political measure taken at the discretion of each individual state in order to warn Paraguay that she had better accept the recommendations. The explanation put forward by the Uruguayan representative was that his acceptance of the report of the 16th January, 1935, had been conditional on the approval of his Government, and that this approval had subsequently been withheld on the ground that the embargo was much too punitive a measure to be applied at that stage of the dispute.

When the Advisory Committee[1] had reassembled on the 11th March, in order to discuss the situation created by the Paraguayan communication of the 23rd February, the Secretary-General opened its proceedings by suggesting that the time had come to consider whether Article 16 might not henceforth become applicable. Almost immediately afterwards, however, the point of view of one of the most influential of the Latin-American members of the League was decisively expounded by the representative of Argentina. After defining the position of his country with regard to the arms embargo, Señor Cantilo explained that his Government considered that sanctions might indeed be applied, but only after an inquiry as to which party was responsible, not for the failure to carry out the Assembly's recommendations, but for the original act of aggression which started the war. Moreover, he went on to indicate an alternative course of action by making it known that the Governments of several Latin-American countries, including Argentina, had recently been once more in communication with the Bolivian and Paraguayan Governments, and had found out what changes in the Assembly's recommendations the Paraguayan Government would be likely to accept.

The Argentinian Government's desire that the enforcement of sanctions should be delayed and, if possible, avoided altogether was shared by most of the Latin-American members of the Advisory Committee, though declarations in favour of the unqualified application of the Covenant were made by the delegates of Ecuador and Colombia. Several delegates, however, were much more outspoken

[1] The proceedings of this session of the committee are reported in full in *op. cit.*, pp. 1–54.

than Señor Cantilo in their dislike of any measures of coercion against Paraguay, particularly the Uruguayan delegate, who declared that his Government 'would not enact any embargo or transit prohibition against Paraguay unless the adjacent states' took the same measures against Bolivia.

On the other hand, the announcement of a fresh attempt at mediation was received with general approval by the Latin Americans, although the delegates of several states, including Mexico, insisted that it must be carried out within the framework of the League. At an early stage in the discussion, however, Señor Cantilo's proposals called forth an outspoken rejoinder from Monsieur Massigli, who admitted that he was considering the problem from the angle of the general interests of the League and of the maintenance of peace in Europe. After asking whether the Governments of the adjacent states, on whom the League's capacity for action must depend, wished the Assembly's recommendations to be applied or not, he stated that France would concur in the new proposals so long as these proposals were in accordance with the Covenant and did not form a precedent. Nevertheless, he warned the adjacent Powers that the responsibility for the success or failure of the forthcoming negotiations would lie upon them and could not be shifted on to the shoulders of the League. Nor would it be the fault of the Covenant if the Powers whose co-operation was indispensable in any particular case felt obliged to recommend the League to suspend certain of its provisions. He was in favour of a strict application of the embargo but would only support other general measures if they were recommended by the adjacent Powers.

The lead given by Monsieur Massigli was followed by the delegates of several other states, including Great Britain. The latter once again laid stress on the need for tightening up the arms embargo against Paraguay, but this appeal to the adjacent countries to prohibit the transit of war material met with no response from Chile and evoked a definite refusal from Uruguay.

A rather different point of view was expressed by the Czechoslovakian representative. After discussing the legal aspects of the situation and the effects of the Covenant on neutrality and on the right of lawful defence, Monsieur Osusky asserted that sanctions under Article 16 of the Covenant did not necessarily refer to any form of aggression but to a resort to war contrary to Articles 12, 13 and 15. Though he considered that the inquiry into the initial responsibility for the war, which Paraguay desired, should be provided by an advisory opinion from the Permanent Court of

International Justice, he also held that a decision in Paraguay's favour would still not give her any right to continue the war after the report provided for in Article 15 had been adopted by the Assembly and accepted by Bolivia.

Monsieur Osusky's proposals were supported by the Soviet and Turkish delegates. The Italian delegate also approved of the proposal that the Permanent Court might be asked to decide the question of responsibility, but the attitude of his Government had changed since the November session of the Assembly, and he now insisted that sanctions could not be enforced until this question had been settled. He also doubted very much whether a transit embargo would be practicable.

In spite of the efforts of the 'sanctionist' minority, the general feeling of the committee was that it would not be possible to impose sanctions, especially in view of the attitude of the adjacent states, and that, in the circumstances, the Latin-American offer of mediation provided the best means of dealing with the situation. The report[1] which the committee adopted on the 15th March, 1935, took note of the situation arising out of Paraguay's notification of withdrawal and the continuance of the war, declared that an inquiry into the responsibility for the war could not be undertaken until hostilities had been definitely brought to an end, repeated the committee's recommendations of the 16th January with regard to the arms embargo, and earnestly requested all Governments to reply as soon as possible to the Secretary-General's circular on that subject. But with regard to the immediate application of Article 16 the Advisory Committee could only record that its members had expressed divergent opinions. The report then quoted a declaration made by the representatives of Argentina and of Chile to the effect that they had already approached Bolivia and Paraguay with a plan based on the League's recommendations of the 24th November, and that the Brazilian and Peruvian Governments had been 'informed of these negotiations', which would 'now be pursued by the four countries in concert'. Finally, it was resolved that, having regard to these circumstances, the committee should 'summon the Assembly for the 20th May, 1935, to consider the question of the subsequent application of the Covenant'.

The delegates of Sweden and of the U.S.S.R., who with the Czechoslovakian and Turkish delegates had been particularly active in proposing amendments to the report providing for a more effective

[1] Text in *League of Nations Official Journal*, Special Supplement, No. 134, pp. 56–8.

application of the Covenant, had considered that a much earlier date than the 20th May should have been fixed for the meeting of the Assembly. There was, however, so long a delay in forming the new group of mediators that by the middle of May it had hardly begun work. On the 6th April it was announced that the United States Government had accepted an invitation to join the group, and the satisfaction with which their decision was reported to have been received in South American diplomatic circles might be interpreted as a sign of the successful development of President Roosevelt's 'good neighbour' policy towards Latin America.

The Government of Brazil, on the other hand, had told the Secretary-General of the League as early as the 19th March that they had so far held aloof from the investigations started by Argentina and Chile and that they did not consider themselves to have been affected by the resolution of the 15th March. Though at first they had made their acceptance conditional on that of the Government of the United States, they still remained unwilling to join the group after that Government had agreed to do so, on the ground that Brazil had only been invited to the peace conference and not to the conference on the economic aspects of the dispute. The Governments of Argentina, Chile, Peru and the United States assured the Brazilian Government in a joint note of the 29th April[1] that the omission of Brazil was quite unintentional and that her co-operation was essential to the success of all the negotiations; representations were made on the following day by the British, French and Italian diplomatic representatives in Rio de Janeiro; and on the 2nd May it was at last made known that the Brazilian Government had agreed to accept the invitation. At a preliminary meeting which the representatives of the five mediating Powers held at Buenos Aires on the 9th May they invited Uruguay to join them, and by the 16th–17th May, when the Advisory Committee held its next session, the newly-formed six-Power group had just succeeded in persuading the Bolivian and Paraguayan Governments to agree to negotiations being opened.

In these circumstances, both the Advisory Committee and the Assembly were extremely unwilling to interfere in any way with the action of the mediating group. At the meetings of the Advisory Committee, the Soviet, Swedish and Chinese delegates worked hard to have the committee's report[2] drafted in such a way as to lay stress

[1] Text in *The New York Times*, 30th April, 1935.

[2] Text in *League of Nations Official Journal*, Special Supplement, No. 135, pp. 21–2.

on the gravity of the situation and on the responsibility of the League for the new attempt at mediation. They did not, however, persuade the committee to agree that the report should lay down general principles for the negotiations at Buenos Aires, or that the Assembly should be required to meet again before its ordinary session in September.

The resolution included in the report which was finally agreed upon by the committee, and which was adopted without amendment by the Assembly at its extraordinary session on the 20th–21st May, 1935, opened with an expression of the Assembly's desire 'that the state of breach of undertakings concerning the pacific settlement of disputes' might 'be speedily brought to an end'. After this preamble, the Assembly conveyed 'to the group of mediating states the expression of its sincere hope that this new effort' would 'lead to the speedy restoration of peace'; instructed 'its Advisory Committee to continue to follow the situation . . . while at the same time recalling more particularly that it' was 'authorized to make any communication, recommendation or proposal . . . to members of the League or to the Assembly or Council; and decided, in any event, to place the . . . dispute on the agenda of its ordinary session in September'. From this time onwards, however, the various organizations of the League ceased to take any active part in the peace negotiations, and merely took note of communications from the Argentinian Government with regard to the progress of the Buenos Aires Conference.

The six-Power group of mediators had begun to negotiate with delegations from Bolivia and Paraguay on the 27th May, and, though all the now familiar points of controversy were raised once again, an agreement was reached at 3 a.m. on the morning of the 9th June, and was definitely signed on the 12th after being approved by both the Governments concerned. This new protocol[1] was based on the Assembly's recommendations of the 24th November, 1934, with certain important modifications intended as concessions to Paraguay. It was still provided that a peace conference should be convened without delay; that its terms of reference should include questions of economic relations and security; and that, if direct negotiations failed, the dispute over the ownership of the Chaco should be decided by an arbitral judgment from the Permanent Court of International Justice. This time, however, no definition was given of the case which was to be laid before the Court, and no time-limit, other than the discretion of the mediating Powers, was fixed for the negotia-

[1] Text in *League of Nations Official Journal*, July 1935, pp. 901–3, and in *Documents on International Affairs, 1936*, pp. 538–41.

tions. It was merely arranged that Bolivia and Paraguay should 'proceed to negotiate an arbitration agreement'—a thing that they were notoriously incapable of doing. Moreover, it was no longer expressly provided that the questions of economic relations and security should be referred to the Permanent Court at all. In addition to its original terms of reference, the peace conference was now to promote an agreement between the parties on the exchange of prisoners, but only at such time as might be thought expedient, and it was also to appoint an international commission 'to determine the responsibilities of every sort or kind arising out of the war'.

The protocol made full arrangements for the cessation of hostilities and the organization of measures of security under the supervision of a Neutral Military Commission consisting of representatives of all the mediating Powers. Hostilities were to cease at midday on the 14th June, 1935, and, if the agreement was ratified by both Governments within ten days, a truce was to be declared. The Commission would then fix lines of separation between the two armies, but no provision was made for the withdrawal of any of the troops from their existing positions. In order to meet Paraguay's objections to the two armies remaining on a war footing during the truce, it was provided that both Governments should give an undertaking of non-aggression on signing the convention, and that their armies should be demobilized and reduced to a maximum of 5,000 men within ninety days after the lines of separation had been fixed, while 'no new acquisitions of warlike material . . . apart from necessary replacements' would be made 'until the conclusion of the Treaty of Peace'.

The signing of the protocol was greeted with much rejoicing in both the countries concerned, and also in Argentina and Brazil and elsewhere in South America. It came into effect on the 21st June, 1935, the day of its ratification by the Bolivian Congress, Paraguay having ratified it the day before. The Neutral Military Commission encountered no serious difficulty in fixing the line of separation, and the demobilization of the armies began on the 3rd July and proceeded even more rapidly than the Commission had expected. Nevertheless, though the Bolivians and Paraguayans may have been genuinely thankful for the truce, they were still unwilling to pay the necessary price of a lasting settlement by accepting a compromise on the Chaco question, and though the Buenos Aires Conference was inaugurated on the 1st July, 1935, in an atmosphere of determined optimism and with all the pomp that the presence of six Foreign Ministers could give, it was clear from the outset that the agreement of the 12th June

had only postponed the real difficulties of the problem. The proceedings at the opening session of the Conference, in addition to the election of Dr. Saavedra Lamas as President of the Conference, and the solemn ratification of the protocol of the 12th June, included an offer on the part of the Argentinian Government to consider any suggestion for reciprocal economic agreements which would be favourable to the trade of both Bolivia and Paraguay. When, however, the drafting of treaties on the subject of trade and communications was entrusted to the Argentinian delegation, they did not succeed in drawing up any proposals before the Conference adjourned.[1]

Again, with regard to the question of responsibilities arising out of the war, at least two delegations, including that of Argentina, wished the Conference to settle this point itself without delay, but most of the delegates were afraid that this would cause too much ill feeling. The delegates of Peru and Bolivia even succeeded in carrying a resolution which indefinitely postponed the appointment of the international commission mentioned in the protocol of the 12th June. On the 21st October, 1935, it was at last made known that a procès-verbal[2] had been signed on the 5th of that month providing for the appointment of a Commission of Investigation presided over by a jurist chosen by the United States Supreme Court. Paraguay had invited Argentina to appoint one of the other two members of the commission, but Bolivia had as yet taken no steps. That was the last that was heard of the commission.

More serious difficulties arose over the question of prisoners of war, which had been referred to a committee presided over by Mr. Hugh Gibson, the United States Ambassador in Brazil. The Paraguayans were reported already to have released some thousands of Bolivians (mostly from Santa Cruz Province, where they hoped to encourage separatism) who had been captured just before the truce and had not yet been sent down to Asuncion, but they were still believed to hold about 28,000 Bolivian prisoners as compared with no more than about 2,600 Paraguayan prisoners in Bolivia. The Paraguayans were willing to release any Bolivians who were sick, wounded, or over military age, and they would exchange any of the others for Paraguayans of equal rank, but they would not agree to the Bolivian demand that all prisoners should be released at once. They preferred

[1] On the 18th September, 1937, it was made known that the Argentinian and Bolivian Governments had signed a preliminary agreement on the surveying of a route for a railway connecting the towns of Santa Cruz and Sucre with the Argentinian railway system.

[2] Text in *League of Nations Official Journal*, December 1935, pp. 1648–50.

to wait until peace was signed before giving up such a plentiful supply of unpaid labour and such a useful means of putting pressure on Bolivia. A proposal made by Mr. Gibson for a general release of prisoners on humanitarian grounds was emphatically rejected by the Paraguayan Government, who claimed that their attitude was justified by the precedents of international law to which reference had been made in the protocol of the 12th June. The chances of reaching an agreement on this point were, indeed, so unpromising that on the 17th August, 1935, Mr. Gibson left for Rio de Janeiro without fixing a date for his return. Negotiations were continued by the delegates of Brazil, Chile, Peru and Uruguay, but without any better success.

The Conference had already been compelled, much against its will, to turn its attention to the main dispute over the ownership of the Chaco. Once more the Bolivian and Paraguayan delegates stated their claims; and though the Paraguayan Government were prepared to concede the Bolivian claim to the part of the Chaco near Villa Montes and the River Pilcomayo which was already being colonized, including the oil-field, they would still not agree that Bolivia should have access to the River Paraguay south of Bahia Negra, or that the arbitration should include any district which they considered to be already under their administration. The two delegations and their respective Governments and supporters in their own countries were, indeed, becoming more and more intransigent, and Bolivian threats of suspending demobilization were being echoed by Paraguayan threats of encouraging rebellion in the Bolivian province of Beni as well as in that of Santa Cruz. Any chance of reasonableness on the part of either country was still further diminished by the approach of presidential elections in both Bolivia and Paraguay, and by the political and economic unrest arising out of the war and the cessation of hostilities. The only genuine attempt to negotiate a settlement seems to have been made at meetings of the commanders of the armies in the Chaco under the auspices of the Neutral Military Commission, but the suggestions discussed by Generals Estigarribia and Peñaranda do not seem to have met with the approval of their Governments, and were never followed up.

After hearing statements from both sides on the territorial question, the Conference decided on the 16th August, 1935, to hold no more plenary sessions until its committees had made more progress. Though it began work again a month later, the neutral delegates still did not consider it advisable to arrange for direct negotiations between Bolivia and Paraguay, and occupied themselves instead with

drawing up a peace treaty which divided the Chaco by a line starting from the River Paraguay just north of Bahia Negra and reaching the River Pilcomayo at the 22nd parallel. The treaty also granted Bolivia a free zone at Puerto Casado, some way south of Bahia Negra, with railway facilities—not a very valuable concession in the existing state of railway development in the Chaco. All prisoners were to be released as soon as the treaty was signed. This draft treaty was laid before the Bolivian and Paraguayan delegations on the 15th October, but was not accepted by either of them.

Meanwhile the demobilization of the armies in the Chaco had been successfully carried out within the ninety days allowed by the protocol of the 12th June, and on the 25th October, 1935, the Conference was able to declare[1] that the required measures of security had all been put into effect and that, in consequence, the state of war between Paraguay and Bolivia had come to an end. This declaration was followed during the next few days by announcements that the Argentinian and Brazilian Governments had abrogated the measures which they had taken to preserve their neutrality, and on the 14th November the United States Government stated that the arms embargo which they had declared against both belligerents would be raised with effect from the 29th.

At the session of the 28th October the Conference had also addressed a final appeal to Bolivia and Paraguay to unite their efforts with those of the mediators in seeking a peaceful solution of all their disputes. Under existing circumstances, however, the mediators had little hope of doing more than extending the provisions of the protocol of the 12th June, 1935, and securing an agreement on the release of prisoners. Negotiations with this limited scope began shortly before Christmas, and on the 21st January, 1936, a protocol[2] was signed which provided that the repatriation of prisoners should begin within thirty days under the supervision of a special commission to be appointed by the Conference. A new feature of the protocol was that each country was to pay for the maintenance of its own soldiers while in captivity. By this arrangement Bolivia would have to pay Paraguay 2,800,000 Argentinian pesos (£154,269 19*s.* 5*d.*) and would only receive 400,000 Argentinian pesos (£22,038 11*s.* 4*d.*) in return, so that the Paraguayan Government stood to gain the handsome sum of 2,400,000 pesos, an eloquent argument in favour of their accepting the agreement. Besides this, the new protocol reaffirmed

[1] Text of declaration in *League of Nations Official Journal*, December 1935, pp. 1650–2, and in *Documents on International Affairs, 1936*, pp. 542–4.

[2] Text in *League of Nations Official Journal*, March 1936, pp. 279–80.

the provisions of the protocol of the 12th June, 1935, and declared that the measures of security would continue in force until all outstanding questions were settled. Bolivia and Paraguay also undertook to renew diplomatic relations with one another. In accordance with assurances given by both delegations in an exchange of notes which formed part of the agreement of the 21st January, 1936, the Paraguayan and Bolivian parliaments ratified the agreement within twenty days, and on the 14th February the Buenos Aires Conference passed a resolution to the effect that its attention must now be devoted to the repatriation of prisoners, after which the questions which remained unsettled would require careful study. The Conference then appointed an Executive Committee of plenipotentiaries representing Bolivia, Paraguay and the six neutral Powers, and adjourned *sine die* until the Bolivians and Paraguayans should be in a more amenable frame of mind.

Three days later a revolution broke out in Paraguay, and President Ayala's Government was overthrown by a group of army officers led by Colonel Rafael Franco, who had gained a great reputation in the Chaco war. The new régime, which was chiefly supported by the Army, ex-service men and students, was rather of the National-Socialist type. It was militaristic and anti-capitalist, prouder of the Guarani than of the Spanish-American elements in the Paraguayan nation, and bitterly opposed to the economic exploitation of Paraguay by foreigners of any sort, including other Latin Americans. Unlike General Estigarribia—who had been involved in President Ayala's fall in spite of the services that he had rendered in the war, and possibly because of his readiness to make peace—Colonel Franco and his supporters objected to any compromise on the Chaco question and considered that President Ayala had betrayed the true interests of Paraguay by agreeing to a truce in the previous June when, according to them, the Army had been on the point of advancing into Santa Cruz and the oil-field. The new Foreign Minister, Señor Stefanich, had promised that Colonel Franco's Government would respect all existing agreements with the Buenos Aires Conference, but on the 27th February, 1936, the military leaders issued a manifesto describing the peace pact as the 'consummation of the criminal treason' practised against Paraguay by the Ayala régime. Whatever they might mean to do in the future, the first step taken by the new Government was to cancel the credentials of all the Paraguayan delegates to the Buenos Aires Conference and the commission on the repatriation of prisoners. They then announced that no new peace delegation would be sent, and that the representatives

which they had appointed to serve on the commission would not be empowered to act until the mediating Powers gave diplomatic recognition to the new régime.

The next move, however, came from the mediating states themselves, who, in their turn, made it clear that they would refuse to recognize Colonel Franco's Government until that Government gave written assurances that they would abide by the peace protocol ratified by their predecessors. The initiative in proposing joint action in this matter had come from Argentina, and both Argentina and Brazil were said to have been unfavourably impressed by the militaristic and anti-foreign character of the Franco régime. On the 8th March Señor Stefanich gave the Executive Committee at Buenos Aires the required assurances, and stated that three Bolivians had been released that day as a sign that his Government intended to carry out the repatriation agreement, and on the 14th March the Governments of all six mediating states extended recognition to Colonel Franco's Government,[1] while, in return, Colonel Franco declared that the state of war with Bolivia was now replaced by a state of peace.

Bolivia also went through a political upheaval before the spring was out, and on the 17th May, 1936, President Tejada Sorzano was forced to resign. In his stead there reigned a series of juntas under the leadership of Colonel David Toro, another hero of the Chaco war who had built up a political movement which was National-Socialist by name and apparently also by nature. Indeed, it was not unlike the movement organized by Colonel Franco in Paraguay, except that it was reported to be more socially minded and less politically minded; and though Colonel Toro's movement does not seem to have been so proud of the aboriginal traditions of its country, several laws for the benefit of the Indians were passed by the new Government during the year that they remained in office. The new rulers of Bolivia also announced their intention of carrying out drastic economic changes, including the revision of the concession granted to the Standard Oil Company,[2] and other measures intended to discourage the exploitation of Bolivia by foreign capitalists. They had, however, declared themselves to be in favour of a lasting settlement of the Chaco question by negotiation or arbitration, and were also reported to have stated that they had no intention of raising the question of a port

[1] Text of correspondence between Colonel Franco and President Roosevelt in U.S. Department of State: *Press Releases*, 14th March, 1936, pp. 238–9.

[2] On the 16th March, 1937, the Bolivian Government issued a decree cancelling the Standard Oil Company's concession and announcing that the state would take over all its holdings of land.

on the Pacific Coast. By the end of May the new régime had been recognized by the six mediating Powers as well as by Great Britain, Germany and the Vatican.[1]

The repatriation of prisoners had begun on the 2nd May, 1936, but even then it was not carried out without difficulty. It was asserted by the Bolivians that the Paraguayans had claimed to hold a greater number of prisoners than was actually the case, and this allegation was proved to be correct after investigation by the military representatives of the neutral Powers. The Bolivians did not, however, succeed in securing a proportionate reduction in the payment which they had to make to Paraguay, and the Conference, at the session which it held on the 21st August, merely declared that the repatriation of prisoners had been completed, and that the indemnity which had already been paid in by Bolivia should now be handed over to Paraguay. On the same occasion Bolivia and Paraguay signed yet another agreement on the renewal of diplomatic relations, which was solemnly declared to have come into effect, with the approval of both Governments, at a plenary session of the Conference on the 25th August.[2] In the sequel, neither Government appears to have taken any steps towards appointing a diplomatic representative to the other.

The Buenos Aires Conference had, indeed, tried to make one concession at least to Bolivia by declaring that it would assume 'responsibility for the supervision of the neutral zone between the fronts which separate the two parties', and the neutral delegates had let it be known unofficially that this would mean that the Paraguayan troops would withdraw from positions which gave them control over the main road between Villa Montes and Santa Cruz. The Paraguayan delegate was said to have agreed to this proposal, but only by word of mouth, and, in any case, his action was repudiated without delay by the Government at Asuncion. The Bolivian Government retorted by refusing to discuss the territorial question until the Paraguayan troops withdrew, and by recalling the head of their delegation in disgrace for not insisting on the withdrawal of the Paraguayans as a condition of the payment of the indemnity. During the autumn of 1936 relations between the two countries became once

[1] On the 13th July, 1937, Colonel Toro was forced to resign by General Peñaranda and Colonel Busch, Chief of the General Staff, the latter succeeding him as Provisional President. The new Government were not expected to continue Colonel Toro's anti-foreign policy, or his experiments in socialization.

[2] For reports from Dr. Saavedra Lamas of the proceedings of both these sessions of the Conference see *League of Nations Official Journal*, August–September 1936, pp. 925–6.

again alarmingly strained; both of them increased their armies in excess of the restrictions provided in the protocol of the 12th June, 1935, and ominous incidents were beginning to take place in the Chaco.

On the 1st December, 1936, the Inter-American Conference on the Maintenance of Peace held its first meeting at Buenos Aires.[1] In accordance with the wishes of several delegations, including that of the United States, the Inter-American Conference did not concern itself directly with the Chaco question, beyond lending its moral support to the work of the Chaco Peace Conference. Nevertheless, the presence of so many Foreign Ministers and influential representatives of the neutral countries provided an encouraging background for a fresh attempt at negotiations. The committee—consisting of the Brazilian and Chilean Foreign Ministers and Mr. Spruille Braden, one of the United States delegates to the Chaco Peace Conference—which was in charge of the negotiations, did succeed in arranging meetings between the Bolivian and Paraguayan Foreign Ministers to discuss a proposal providing for the granting of a port to Bolivia in return for a cash payment to Paraguay. But it was reported that, though these conversations were carried on in a very friendly spirit, they usually ended by each Foreign Minister saying 'But of course the Chaco belongs to us!' The first result of all this diplomatic activity was the initialling, on the 9th January, 1937, of an agreement for the continuance of the neutral supervision of the line between the two armies, and for the maintenance of the military *status quo*, accompanied by arrangements for the freedom of commercial traffic in the western part of the Chaco. At the same time both Governments pledged themselves to refrain from making public declarations regarding the negotiations.

By the late spring of 1937 the Chaco Peace Conference appears to have persuaded the Paraguayan Government to consent to the agreement of the 9th January being put into effect, and to the establishment of a neutral zone which would be under the control of Paraguayan police supervised by neutral military officers representing the Conference. On the 22nd May it was once again announced that Bolivia and Paraguay had agreed to resume diplomatic relations, and three days later this was actually put into effect by an exchange of telegrams between the two Governments. The proposals made by the Conference were, however, violently opposed by public opinion in Paraguay, especially in the Army. At a public meeting held in Asuncion on the 6th June, Dr. Stefanich made the most of the

[1] See pp. 823 *seqq.*, above.

advantages which the proposals would have for Paraguay, but his explanations did not satisfy his own countrymen and were resented by the Bolivian Government, who announced next day that they would proceed no further with the re-establishment of diplomatic relations. Faced with this new crisis, the Chaco Peace Conference adopted a resolution reaffirming the agreement of the 9th January, 1937, and reminding both Governments that they had promised not to make pronouncements of this kind, that agreements adopted in virtue of the peace protocols could not be set aside by unilateral action, and that the Conference reserved the right to terminate the direct negotiations and seek a settlement by arbitration. The situation was aggravated by the unwillingness of the Paraguayan Army to withdraw from the Villa Montes–Santa Cruz road, and at the end of July 1937 Colonel Franco's orders to evacuate the neutral zone seemed to be not unlikely to provoke a mutiny or a counter-revolution in support of some Army leader more hostile to Bolivia.[1]

(iii) The New Treaty between the United States and Panamá

In 1936 relations between the United States and the Republic of Panamá were still based on the Hay-Bunau Varilla agreement of the 18th November, 1903[2]—the original agreement by which the 'use, occupation and control' of the Panamá Canal Zone had been secured to the United States. As early as 1922 negotiations had been opened for the revision of the Hay-Bunau Varilla agreement, but the new treaty, which had been signed on the 28th July, 1926,[3] had gone considerably beyond the agreement of 1903 in the arrangements which it made for the security of the Canal Zone and for the control of the United States over it. Had it come into effect Panamá would have agreed to consider herself in a state of war with any foreign Power with which the United States was at war, and to give the United States full control, in the event of hostilities (or of a threat of hostili-

[1] A naval and military rising did actually take place in Asuncion on the 13th August. Colonel Franco resigned two days later and Dr. Paiva succeeded him as Provisional President. Dissatisfaction with Colonel Franco's Chaco policy was reported to have been one of the causes of the rising, but Dr. Paiva's Government had the support of the older parties, and, like the new Government in Bolivia, were expected to reverse their predecessors' radical and anti-foreign policy. Dr. Paiva's Government survived an attempt at counter-revolution by Colonel Franco's supporters on the 7th September, 1937, but at the time of writing, at the end of that month, their position was still rather precarious.

[2] Text in Great Britain: Foreign Office: *State Papers, 1902–3*, vol. 96, pp. 553–61.

[3] See the *Survey for 1927*, Part IV B, section (v), pp. 516–20.

ties) with a foreign Power, of aviation, wireless communications and military operations throughout Panamanian territory. Even in time of peace United States forces would have had the right to enter Panamanian territory for manœuvres or other military purposes. The treaty of July 1926 had, however, subsequently been rejected by the Panamanian Government, chiefly on the ground that some of its other provisions were too favourable to American commercial enterprises in the Canal Zone, and that it failed to recognize that Panamanian sovereignty over the zone had not been alienated by the agreement of 1903.

The dead-lock thus reached lasted nearly seven years. The first sign that progress was once again being made towards an agreement was a joint statement[1] issued on the 17th October, 1933, by President Roosevelt and President Arias of Panamá, at the close of a visit which the latter had been paying to Washington. The statement declared that the two Presidents were 'in accord on certain basic principles' as regarded both the general rights of the United States over the Canal Zone, and the right of Panamanian citizens to be protected against unfair economic competition. During 1934 preliminary conversations took place with regard to the conclusion of a new treaty, and formal negotiations began on the 5th November. These lasted for more than a year, the most difficult question at issue being, apparently, the access of United States forces to Panamanian territory. On the 2nd March, 1936, however, a series of agreements was signed,[2] including a general treaty accompanied by sixteen exchanges of notes, and conventions with regard to wireless communications, the transfer to Panamá of two naval wireless stations and the construction of a road across the isthmus to connect the cities of Panamá and Colon.

A short outline of the more important points of the general treaty is all that can be given here. The treaty was expressly stated not to affect existing agreements between the High Contracting Parties, except in so far as it actually modified or abrogated any of their provisions. Among the provisions of the Hay-Bunau Varilla agreement which were declared to have been superseded by the new treaty were the following: Article 1, by which the United States had guaranteed the independence of the Republic of Panamá and had agreed to maintain it; the provisions of Article 2, regarding the granting to the United States of the use, occupation and control of

[1] Text in *The New York Times*, 18th October, 1933.

[2] Text of announcement issued by State Department in *Press Releases*, 7th March, 1936, pp. 200–2.

lands and waters outside the Canal Zone additional to those already under its jurisdiction; and the provisions of Article 9 with regard to customs administration and shipping charges. It also superseded those provisions of Article 7 which gave the United States the right to acquire property in the cities of Panamá and Colon, or the territories and harbours adjacent thereto, by 'the right of eminent domain' (though it was still free to do so by purchase), together with the clause of the same article by which the United States had authority to enforce the maintenance of public order in those areas if the Panamanian Government were unable to do so themselves. It did not, however, supersede the clause which provided that the cities of Panamá and Colon should 'comply . . . with the sanitary ordinances prescribed by the United States' and that the United States might enforce this compliance if the Panamanian Government failed to do so.

The opening article of the new treaty declared that there would in future be 'perfect, firm and inviolable peace, and sincere friendship' between the two countries, and it recalled that the convention of 1903 contemplated the use, occupation and control by the United States of the Canal Zone and of additional lands and waters. Both Governments then declared their 'willingness to co-operate . . . for the purpose of ensuring the full and perpetual enjoyment of the benefits . . . which the Canal should afford' the two nations. In Article 2, the United States waived its right to make use of lands and waters outside the Canal Zone, other than those already under its jurisdiction. This provision was replaced by a declaration that both Governments recognized 'their joint obligation to ensure the effective and continuous operation of the Canal and the preservation of its neutrality'. If the utilization of additional lands and waters became necessary, the two Governments were to come to an agreement as to what measures should be taken. Furthermore, it was provided by Article 9 of the treaty that, 'in the event of an international conflagration, or of the existence of any threat of aggression which would endanger the security of the Republic of Panamá, or the neutrality or security of the Panamá Canal', the two Governments would 'take such measures for prevention and defence as they' might 'consider necessary for the protection of their common interests'; and that they would consult together with regard to any measures which one of them might wish to take which would affect territory under the jurisdiction of the other.

Changes were also made with regard to the annual payments of rent made by the United States to Panamá.[1] By the agreement of

[1] This question was dealt with in more detail in one of the exchanges of notes.

1903 these payments had been fixed at $250,000 in gold coin, and when, after their abandonment of the Gold Standard, the United States Government had proposed to make payments in depreciated dollars, the Government of Panamá had refused to accept them. It was now provided that the amount payable should no longer be reckoned in United States currency, but that it should be fixed at 430,000 balboas, or the equivalent of that sum in any coin or currency. At the existing value of the dollar, this meant that the annual payment was increased by $7,500.

Other articles of the treaty restricted the right of persons not in the service of the United States, of the Panamá Canal or of the Panamá Railroad Company to live in the Canal Zone, or to buy goods imported into the zone or produced in it by the United States Government. Moreover, it was provided that no new private business enterprises should be established there. Arrangements were also made with regard to customs administration, shipping facilities, immigration and the delimitation of corridors providing direct access from Colon to the rest of Panamanian territory, and from the Canal Zone to the Madden Dam.

A Bill for the approval of the treaty was passed by the Panamanian National Assembly, on the third reading, on the 23rd December, 1936. In the United States, however, there was a greater delay in the process of ratification. The High Commands of the Army and Navy were said to have been dissatisfied with the treaty but to have withdrawn their objections on learning how many of the provisions of the 1903 agreement remained in force. The Chairman of the Foreign Relations Committee of the Senate stated, on the 10th April, 1936, that his committee would shortly be able to report favourably on the treaty, but that it would be desirable for the Senate to consider it in executive session behind closed doors—the reason for this unusual procedure being the connexion of the treaty with the problems of naval armaments and of relations with Japan. During the next eighteen months, however, no announcement was made as to whether the Senate had come to any decision with regard to ratification of the treaty.

PART VII

THE FAR EAST

By G. E. Hubbard

(i) Introduction

THROUGHOUT 1936 Japan continued to call the tune in Far Eastern affairs. But an attentive ear could now detect in that tune a new and less confident note. The self-assurance which had marked Japan's dealings with her neighbours in the earlier stages of her military expansion on the mainland after 1931 was showing signs of weakening. In her dealings with China she was showing herself less dictatorial, in her relations with Russia more inclined to conciliation; and there was also evidence of greater concern in Japanese minds over the effects produced by Japanese policy on public opinion abroad. At home, for the first time for several years, there was an open clash of opinion on domestic and foreign affairs.

There were various causes to account for this change of sentiment in Japan. The economic effects of a vigorous expansionist policy and of unbridled military expenditure were becoming increasingly plain; so were the dangers involved in becoming entangled in political commitments in China, where a spirit of nationalism and of resistance to foreign encroachment was visibly and steadily growing. Nor was Japan entirely exempt from the infection of the political ferment which was troubling the countries of Europe, and which, under a guise peculiar to Japan, was creating there also a 'conflict of ideologies'.

Although these influences were reflected in a more hesitant attitude in the conduct of foreign affairs, there was no warrant for assuming any radical change of Japanese Far Eastern policy; the main objectives remained the same—in so far at least as outside observers could judge—namely, to check the extension of Communism, to isolate China on the north by throwing around her a *cordon sanitaire* stretching through Inner Mongolia, to make sure of the power to exploit Chinese raw materials and markets and, in regard to Eastern Asia in general, to establish a right of political hegemony—a right which Japan claimed to be hers by virtue of her racial qualities, geographical conditions and economic necessities.

Her rate of progress towards the attainment of these aims slowed up perceptibly in the year under review. She failed in the attempt

to unite China with herself in an anti-Communist 'front'; her advance westward along the Mongolian corridor came virtually to a standstill; the economic advantages which she obtained in China were small; and the claim to political supremacy was effectively resisted by China and met with a serious challenge from Russia in the arena of Outer Mongolia.

China, though offering stronger resistance to pressure from outside, gave a display in 1936 of the weaknesses inherent in her internal organization—a display which reminded the world that China was still China, a vast loosely-knit country in which regional interests and local attachments were serious obstacles to political unification. The first of two episodes which illustrated this weakness was a revolt in the south-western provinces which only collapsed after Government forces had been marched down to the border. The second was the 'kidnapping' of General Chiang Kai-shek by his subordinate, Marshal Chang Hsüeh-liang, the *ci-devant* Governor of Manchuria. An account of the two incidents and an estimate of their effects upon progress towards national consolidation will be given in the chapter which deals with internal developments in China.

Russia, by 1936, had developed her strength in the Far East to the point of facing Japan as a military equal, yet she appeared still to be as anxious as ever to avoid coming to a clash. War with Japan, it was obvious, not only meant ruin for her vast economic plans, but might also be the signal for an attack by Germany on the west. It was, therefore, fortunate for the Government of the U.S.S.R. that the year 1936 brought some respite from the dangerous conflagrations which had flared up so often during the last few years along the 'Manchukuo'-Russian and 'Manchukuo'-Outer Mongolian borders. As regards Outer Mongolia itself, the risk—which a year before had seemed imminent—of an open conflict between Russia and Japan over their respective claims to exert influence in that region receded in proportion as China became more able to check Japan's westward advance through Inner Mongolia. A more positive improvement in Russo-Japanese relations through the elimination of one of the oldest of the causes of dispute was missed by a very narrow margin when a settlement of the question of Japanese fishing rights in Russian territorial waters broke down at the very last moment as the result of Russian resentment over Japan's entry into a pact with Germany directed against Communism.

This German-Japanese agreement, which is dealt with fully in another part of this *Survey*,[1] illustrated the closeness of the nexus

[1] See Part III, section (ii), and pp. 925–9 below.

between the Far East and Europe in the domain of international politics. Japan's behaviour in Manchuria and China, her withdrawal from the League of Nations and her denunciation of the naval limitation treaties had all contributed to her estrangement from the principal Western democracies, who saw their vested interests threatened by her high-handed policy in Manchuria and China, and who were resentful of the fact that, in the pursuit of that policy, Japan had helped to destroy a code of international relations which some of them at least were still struggling to uphold. The agreement with Germany served to widen this rift.

In associating herself with one of the 'Fascist' states Japan did not, it is true, commit herself to any community of political principles beyond a common hostility to Communism. In fact, the political theories prevalent in Japan were in many ways radically different from those that were in the ascendant in the Western authoritarian states. Nevertheless, by the act of identifying herself with a country which had subscribed to the doctrine of the division of the world into conflicting ideological camps, Japan was bound to sacrifice sympathy among those of the Western nations who abhorred this doctrine and who continued to place their hopes in the organization of peace on some sort of collective basis. This steady drift away from her old Western associations, and from Great Britain in particular, was apparently viewed in Japan itself from opposing standpoints. The more liberal elements deplored the growing isolation of Japan, and among them there were signs of a wistful looking back to the Anglo-Japanese alliance. Another section, likewise concerned at the friendless state of their country, looked for allies in any direction, and among these could be counted the advocates of a *rapprochement* towards Germany. There was lastly a body of reactionary opinion, by no means devoid of influence, which wished to see Japan retrace her steps, break her attachments with the West, revert to her old gods and work out alone her so-called 'manifest destiny'.

There remain two Powers whose position in regard to Far Eastern affairs calls for notice in this *Survey*, namely Great Britain and the United States of America. With the failure of Mr. Stimson's attempt to establish an Anglo-American 'front' when Japan invaded Manchuria in the autumn of 1931[1] the prospect of co-operative action between the two countries in the face of the new Far Eastern situation which was then created had largely faded away, and the only important point at which British and American policy had come at

[1] See the *Survey for 1932*, Part V, section (iv) (*b*).

all closely into contact in the Pacific area was in the naval negotiations which followed upon Japan's retirement from the Washington Five-Power Treaty.[1]

The two countries had this circumstance in common, that in the change in the distribution of power in the Western Pacific during the years after 1931 they had equally lost ground, both morally and materially. Morally both had been weakened by the lack of resolution which both of them had displayed in dealing with Japan's aggression against China and with her encroachment on foreign interests. On the material side there had likewise been a set-back. In Great Britain's case this had come through her reduction of her armaments and her inevitable preoccupation with the situation in Europe; in the American case it was due to the effects of economic distress which had diverted American energies from affairs overseas and had given impetus to isolationist tendencies. A relevant example of this last-mentioned tendency had lately been given by the American decision to withdraw from the Philippine Islands.

In so far as Great Britain was concerned, there were nevertheless signs that a turning-point had been reached in 1935–6. By the end of the latter year British stock in the Far East was perceptibly on the rise; the British rearmament programme furnished a definite 'bull point', and the rapid prosecution of work on the Singapore Naval Base supplied a convincing proof that the British Government had no intention of neglecting strategic considerations. At the same time the British Government continued to show their interest in the economic progress of China and in the development of trade relations with that country by following up the Leith-Ross mission[2] with arrangements for improving credit facilities for the China trade through the agency of the Export Credits Guarantee Department, a representative of which was sent to China for this purpose.

In the wider political sphere the British Government showed no disposition to undertake in the Far East the same leading rôle in the organization of peace which they had assumed in Europe, nor did they appear to be ready to give the lead in any attempt to find the means of re-stabilizing the Far Eastern situation, which remained unregulated by any effective international agreement after the virtual nullification of the Washington Treaties.

Such a lead could, admittedly, only be effective if the goodwill and collaboration of the United States were assured. But the prospect of this could not be regarded as hopeful while the American people

[1] See Part I, section (ii) of the present volume.
[2] See the *Survey for 1935*, vol i, pp. 322–3.

remained immersed in their own affairs, determined generally to keep clear of foreign entanglements, and little in the mood to attend to so thorny a problem as a Far Eastern settlement. Thus, with the peace machinery thrown out of gear and with little hope of any concerted attempt to recondition it, the situation was left to develop without being controlled by any other forces than the ambitions of one country and the check exerted thereon by its neighbours' powers of resistance.

On the long view it was evident that, if a limit was to be set to the power of any one nation to exercise a dominant control over the affairs of the Pacific area, it was from the United States that such restraint was eventually most likely to come. Their passive Far Eastern policy was the product of the current popular feeling in favour of shunning commitments outside their own territories and avoiding the complications attaching to foreign trade and investment. With this was combined a cooling off of enthusiasm for an American championship of the cause of international morality—a change towards which the American people had been impelled to an appreciable extent by the object-lesson which they had been given in the handling of the Abyssinian question by the states which were members of the League. But, behind this temporary aloofness, there unquestionably lay, deep in the American consciousness, the conviction that the country would have in years to come to look across the Pacific for its economic prosperity and that America's stake in the East would be one day a vital American interest. The influence of this conviction could be seen in the unobtrusive, but steady, development of America's strategic footing along the Pacific coast and at various points in the Pacific Ocean, as well as in the keen attention devoted by the United States to the development of trans-Pacific airlines which was being undertaken at a time when as yet no trans-Atlantic service had been organized by that country to link America to Europe.

(ii) Internal Developments in China

In the race between external attrition and internal consolidation the rulers of China were heavily handicapped in the course of the year 1936 by the two domestic political crises to which reference has been made in the preceding chapter: crises which—apart from the special problem of Communism—were by far the most serious which had occurred since the various regional commanders had tacitly agreed, four years back, to sink their immediate differences with the central authorities in order to rally against Japan.

In the case of South-West China those differences were of too profound a character to be liquidated by the mere process of time. The quarrel of the South-West with Nanking arose partly from personal jealousies, for the Kwangsi provincial leaders, Generals Pai Chung-hsi and Li Tsung-jen, had never ceased to smart under bitter feelings of resentment against General Chiang Kai-shek, whose reward for their share in breaking the power of the Tuchüns and establishing a nationalist régime in 1926 seemed to them to have been utterly inadequate. Partly the quarrel arose from economic causes. Prominent among these was the loss, by the provincial authorities of Kwangsi, of revenue derived from transit taxes on the traffic in opium passing through their province. This had been brought about by the action of General Chiang, during his sojourn in Western China in 1935, when he had arranged to deflect the Kweichow and Yunnan opium traffic northward so that it should be shipped from ports on the Yangtse, to the financial benefit of those regions of Central China which were under his own control. Besides this there was an unsatisfied claim against the National Government which rankled in the minds of the Kwangtung authorities—a claim for the repayment of the cost of the original expeditionary army, the non-payment of which was felt all the more keenly owing to the Kwangtung Government's chronic shortage of funds. The Central Government had their own pack of grievances against the south-western provinces, particularly against the men in control of affairs in Canton. The local Government's connivance at—if not participation in—the extensive smuggling operations which had been on foot in the South had not only seriously diminished the national customs revenue, but had also supplied Japan with an embarrassing means of retort whenever Nanking protested against Japanese encouragement of the smuggling in North China. Canton, whose financial affairs had been notoriously mismanaged, had, moreover, responded very imperfectly to the Central Government's measures of currency reform. Although silver had been withdrawn from circulation in conformity with the new national law,[1] the stocks of coin had not been surrendered, as required by the law, to the control of the Ministry of Finance in Nanking, and local instead of national 'legal tender' notes had been issued to replace it. Never, in point of fact, since the establishment of the National Government in Nanking had the south-western provinces—which prided themselves on being the 'cradle of the Revolution'—accepted the Government's authority in any except the broadest spheres of public affairs, and then for the most part

[1] See the *Survey for 1935*, vol. i, pp. 309–10, 405.

grudgingly. In 1929 they had openly revolted against the 'personal dictatorship' of General Chiang; and it was a significant fact that the latter, who in the course of the last few years had visited every other province of China, had never set foot in Canton since he had set out from that city in 1926 on his triumphant march northward.[1]

In the early part of 1936 the tension between Canton and Nanking was increased by the action of the Central Government in moving troops to the Fukien–Kwangtung border in anticipation of an autonomy movement in the first-mentioned province. Relations were put to a further strain by reason of disagreements which arose between Nanking and Canton over the control of the Canton–Hankow Railway, the completion of which, together with the establishment of the Central Government's authority in Kiangsi and Hunan following the ejection of the Communists, brought the power of Nanking within more effective range than before of the south-western provinces.

This was the position of affairs when, in the late spring of 1936, a renewed outburst of Japanese political activity occurred in North China and showed signs of succeeding in its objects in the absence of effective Chinese resistance.[2] Thereupon the customary agitation in the South against the 'weak' policy of the Nanking Government rose once more to a high pitch. On the 2nd June the three Southern military leaders, Chen Chi-tang, Li Tsung-jen and Pai Chung-hsi, telegraphed to the Central Government objecting to the reinforcement of the Japanese garrisons which was taking place in North China and demanding that the Government should take measures to resist. One week later, although a special representative sent by air from the South was at the time conferring with General Chiang in Nanking, a force of Kwangtung and Kwangsi troops began to advance northward—in the footsteps of Chiang Kai-shek's own expedition in 1926—with the evident intention of bringing physical pressure to bear on the Central Government.

In making the question of resistance to Japan the pretext for a military threat to the Central Government the Southern leaders laid themselves open to doubts as to their sincerity. They had shown no conspicuous zeal in suppressing the influx of Japanese influence into their own provinces, and they were at the time making use of Japanese technical advisers and had, if reports were true, been obtaining military supplies from Japanese sources. There was, therefore, all the more reason to regard the campaign which they were now launching as being chiefly of the nature of a despairing attempt

[1] See the *Survey for 1926*, Part III A, section (x). [2] See pp. 913 *seqq.* below.

to save themselves from being engulfed in the steady advance of the movement towards national unification under the authority of General Chiang and the Government in Nanking.

The trial of strength was brief. The Nanking authorities avoided a military engagement by withdrawing their own troops through Hunan. General Chen Chi-tang, the Cantonese Commander-in-Chief, lost all support from his own people, who showed their dissatisfaction with his policy and their resentment at the collapse of the local currency for which he was held responsible. Several of his own most important subordinates and the greater part of his Air Force deserted to the side of Nanking, and he himself, on the 18th July, took refuge in Hongkong (whence he subsequently sailed for Europe after having received, it was understood, a handsome allowance for 'travelling expenses' from Central Government funds). The Kwangsi leaders returned home with their troops and continued for a time to bid defiance to Nanking, but, under pressure of a virtual blockade of the province, they also abandoned resistance. By the end of August the 'Southern Revolt' was over without any of the Northern troops having passed the Kwangtung border.

General Chiang, who in the middle of August had gone to Canton, where he met with a warm popular reception, himself carried through the settlement. Dealing first with Kwangtung, the civil and military provincial Governments were reorganized, the higher administrative posts being filled by men appointed from Nanking, and various reforms were introduced, the most important being the rehabilitation of the local finances and currency (which the previous Government had allowed to lapse into a state of great confusion), the reform of taxation and measures for the prevention of smuggling. In September the situation in Kwangsi was also settled by agreement between the Generalissimo and General Li Tsung-jen, the terms of settlement being in this case distinctly more favourable to local interests, and implying less transfer of authority to the Central Government than in the case of the sister province. The South-Western Political Council and Executive Committee, which, while nominally an organ of the National Government of China, had actually served as the façade behind which the regional authorities had exercised a quasi-autonomy, was now abolished and the Kwangsi military forces were incorporated into the National Army.

The Southern affair of midsummer 1936 could be regarded as a necessary purge of the Chinese body politic which had to be gone through in order to make possible the further consolidation of political power and extension of economic control in the hands of a single

central authority, and the fact that the purge had been successfully effected almost without recourse to fighting could fairly be taken as a vindication of the Central Government's unification policy. It remained only to be seen whether statesmanship in Nanking would be equal to the task of providing an efficient centralized Government for an ever-increasing proportion of China's vast population, and of reconciling the deep-rooted jealousies which formed so serious a barrier between the North and the South. The second crisis, which developed six months later, was of a different origin and character. The motives and forces at the back of the 'Sianfu incident' were far more complex and confusing than those which gave rise to the conflict between the South and Nanking. A recital of the sequence of events may, in these circumstances, usefully precede the discussion of what these events implied in connexion with the play of political forces in China and their effect on external relations.

After having dealt with the situation in Canton General Chiang Kai-shek returned with enhanced prestige to the capital, where his presence was urgently required in order that he might participate personally in the negotiations with Japan, which had reached a critical point.[1] After a meeting with the Japanese Ambassador—the results of which will be described in a subsequent chapter—the Generalissimo left Nanking by aeroplane on a tour of provincial centres in North China. At Sianfu, the capital of Shensi, he met General Chang Hsüeh-liang, the former Governor of Manchuria, who seized the occasion to warn him of the discontent and the hostility to himself and his policy which were rampant among the military forces in the province; the situation, General Chang was reported to have told the President, was fast getting out of control. The military forces in question consisted partly of Chang's old Manchurian troops who had accompanied him into Shensi—where he had been appointed Commissioner for the Suppression of Communism and Banditry in February 1934—and partly of the original local garrison commanded by General Yang Hu-ch'eng, a native of Shensi and a former Chairman of the Provincial Government. They had been called on by the Government in Nanking to deal with the Chinese Red Army which had reunited early in the year in the Shensi–Kansu border region—where the Communist leaders were in process of creating the nucleus of a new Soviet state and had attempted to push their way through into Shansi and Suiyuan. The professed policy of the Chinese Communist leaders had for the past year been veering towards reunion with the

[1] See below, p. 920.

Kuomintang. Already at the end of 1935 they had moderated the methods of government in the 'Soviet areas' in order, it was stated, to facilitate the establishment of a united front against Japan, and in October 1936 the Red Army was ordered to cease from taking the offensive against the Central Government's forces. The length to which the leaders were prepared to go in abandoning the principles which they had borrowed from Moscow could be judged by declarations which Mao Tse-tung, the Chairman of the Chinese Central Soviet Government and a Red Army Commander, made to Mr. Edgar Snow, an American newspaper correspondent, in the summer of 1936. In the course of the interview, which took place at Pao-an, the provisional Soviet capital, Mr. Mao said that the Chinese Communists hoped to see set up in China a national democratic 'defence' Government, whose programme should be (1) to resist the foreign invader, (2) to grant rights to the masses, and (3) to develop the country's economy. Replying to the question whether the Chinese Communist Party would then give up their policy of land confiscation, Mr. Mao said that the decision would depend on the upshot of the anti-Japanese movement; there must be relief for the peasantry, but —to quote Mr. Snow's report of the conversation—'Agrarian revolution is of bourgeois character. It is beneficial to the development of capitalism. We are not opposed to the development of capitalism now in China, but against imperialism. This principle meets the demands of all democratic elements in the country and we support it wholeheartedly.'

In accordance with the policy of a united front against Japan, the Communists associated themselves with the non-party 'All China Salvation Association', the central organization of a number of local anti-Japanese unions which had sprung up in different parts of the country. With this Association and its aims General Chang and his troops, who had themselves been ejected from their homeland by Japanese action, were naturally in the fullest sympathy. They strongly objected to being employed against the 'Reds', who were in the van of the anti-Japanese movement. In addition to this they were also in a mutinous mood on account of shortage of pay (there were persistent rumours that remittances had been diverted by some of the Northern officials), and the situation was further aggravated by a rumour that the Commander-in-Chief intended to punish their lack of anti-Communist zeal by transferring them to one of the southern provinces.

It was, therefore, to a highly charged atmosphere that General Chiang returned when he flew back again to Sianfu in the first week

in December. On the 12th of that month he was surprised by a body of General Chang Hsüeh-liang's men in the hotel in which he was staying, his guard was disarmed and he was taken to one of the Government offices in the city and there confined. On the same day his captor, who, it seemed very probable, was acting throughout under pressure from his own subordinates and from General Yang and his troops, issued a manifesto purporting to explain his motives. He referred to the grievances of his troops, blamed the Central Government for failing to stand up to Japan and in particular for giving way in North China, and demanded, in the name of the military and civilian population of North-West China, that civil warfare should stop, that a free rein should be given to the patriotic (anti-Japanese) movement, and finally that the Central Government should be reorganized so as to include representatives of all parties and factions, and should 'assume the task of saving the nation'.

The response of the authorities in Nanking to Chang's dramatic *coup d'état* was to give orders for a punitive expedition, and preparations were made for an air attack upon Chang's headquarters. This action evidently added greatly to the dangers of the Generalissimo's situation; and strenuous efforts were made by members of his family and by some of his personal associates in Nanking to rescue him from his peril. For this purpose Mr. T. V. Soong, his brother-in-law, Mr. W. H. Donald, one of his foreign advisers,[1] and, eventually, Madame Chiang herself, made trips by air to Sianfu to mediate between the Nanking Government and General Chang. The punitive measures were suspended; General Chang—so it was affirmed—received from his prisoner assurances, supported by evidence obtained from the latter's private diary, which removed a large part of his suspicions, and obtained promises in regard to money payments which satisfied his men's most pressing demands. On the 25th December the Generalissimo returned as a free man to Nanking. His release was made the occasion of widespread public rejoicing and demonstrations of loyalty, and the regional commanders in all parts of China, who had abstained from any overt attempts to exploit the crisis in their own interests, united in fervid expressions of congratulation at the satisfactory *dénouement*.

General Chang made a public act of penitence for his assault upon a superior officer and went to Nanking to stand trial by court martial. He was condemned to ten years' imprisonment and five years' deprival of civic rights, but the sentence of imprisonment was almost

[1] Mr. Donald was an Australian, who a few years before had served as adviser to General Chang Hsüeh-liang himself in Mukden.

immediately afterwards revoked. On the opposite side of the account, a sum of $10,000,000 was, it was reported, remitted to the troops in Shensi. Pledges were also stated to have been given, in the course of the negotiations which preceded General Chiang's release, that the National Government would conform to some, at all events, of the principles laid down in the Sianfu leaders' political demands, and that they would maintain the *status quo* in Shensi.

Friction with the military forces in Shensi continued for some weeks, and it was not until Government troops had occupied Sianfu early in February that the danger of civil war disappeared over the horizon. The provincial Government was then successfully reorganized; General Chang Hsüeh-liang's Manchurian troops were transferred to another part of China, and General Yang Hu-ch'eng, having been brought to reason by a show of force combined with more diplomatic methods, declared himself once more loyal to Nanking.

To deduce from the known facts the real influences which were at work behind the scenes of the Sianfu melodrama was a problem which gave considerable exercise to commentators on Chinese internal affairs in the press and elsewhere. That what had occurred had a deeper political significance than appeared on the surface could not be doubted except on the hypothesis that the seizure of General Chiang was nothing more than a simple case of kidnapping for ransom, and this was hardly a tenable assumption. The situation was clearly more complex, and it was possible for an observer to distinguish at least three separate elements which had entered into, and dictated, the course of events. The first was the discontent of the troops in the North-West, the causes of which have already been examined. The second was the influence of the Communists, whose leaders for months past had been feeling their way towards a reconciliation with the Government which was to be based on union in a common stand against Japan. The third was the veiled conflict which had grown up in Chinese political circles between the supporters of a military dictatorship and the champions of democratic government.

As regards the share of the Communists, there was no evidence that their leaders had directly instigated the Sianfu incident. Indeed, they publicly announced their disapproval of General Chiang's seizure on the ground that it increased the difficulties of forming the united front against Japan at which they were aiming. Similarly, it may be mentioned, the representative of the U.S.S.R. in Nanking denied rumours which were current to the effect that his

Government had had a hand in the affair; General Chang Hsüeh-liang's action, he declared, had militated against his country's interests by producing a disunity in China which weakened her power to oppose Japan. At the same time there was no adequate reason to doubt that the action of the Chinese military forces in Shensi had been partly, at least, taken with the motive of forcing the Nanking Government to cease from harrying the Communists and to give an ear to their demands for an internal truce and for co-operation against Japan between the 'Red' and the National Chinese Armies. What, if any, undertakings on this point they had succeeded in extracting from General Chiang during his period of detention was never revealed, but that the Generalissimo was brought to agree to modify his attitude to the Communists could be fairly presumed from the fact that, shortly after his release and return to Nanking, he received representatives from the Chinese Communist headquarters. The result of their negotiations was not made known, but it was evident that the conditions which the Communists put forward for their re-entry into the national fold were rejected, for when the Central Executive Council of the Kuomintang met in plenary session in February 1937 to debate the Shensi situation, the terms which they laid down for making peace with the Chinese Communist leaders were of a quite uncompromising nature. They included the incorporation of the Red Army into the national forces, the dissolution of the 'Chinese Soviet Republic', the unification of authority in all districts in the Central Government's hands, and the cessation of Communist propaganda and of 'class conflict'; on the other hand, no reference whatever was made in the resolution passed at the Conference to the Communist demand for a united front against Japan. It was an open question, however, whether this resolution of the Central Executive Council represented the real feelings of the official rulers of China towards the Chinese Communists and towards the 'patriotic' movement which they had adopted as their programme, or whether the resolution was merely an example of 'look see', put out for the purpose of rebutting the Japanese claim that China was unable, or unwilling, to deal with the Communist movement, and that she ought therefore to allow Japan to assist.[1]

[1] In its issue for the 12th May, 1937, *The North China Herald* reported an interview between the Chinese Foreign Minister, Mr. Wang Chung-hui, and a Japanese journalist in which the former, in reply to the question as to how matters stood in regard to an understanding between the Chinese Government and the Chinese Communist Party, stated that the conditions laid down in the above-mentioned resolution had not been accepted by the 'Reds', and that

The share of the third element—namely the subterranean struggle between the 'rights' and the 'lefts' in the Government camp—in the responsibility for the Sianfu incident was even more difficult to assess. It had become evident in the course of the last few years that a conflict was developing between two groups—the group, sometimes described as 'Fascist', whose aim it was to concentrate political power in the hands of a small military-capitalist clique, and the more democratic group who wished to revive the dwindling power of the Kuomin Party and to adhere to the programme of political evolution laid down by Dr. Sun Yat-sen. The cleavage between these two groups was accentuated by the fact that, broadly speaking, the former—among whose supporters were the land-owning class and the large vested interests—were anxious to avoid the risks of a direct conflict with Japan, while the latter contained a large section, including the intelligentsia and the students, who demanded that China's independence should be defended even at the risk of war. There were suggestions that the second group, disturbed by the growth of the Generalissimo's personal power and wishing to force his hand over the Japanese issue, had allied themselves with General Chang Hsüeh-liang and had helped in the planning of a *coup* with somewhat the same intentions as those of the English barons at Runnymede. The 'Fascists', for their part, appeared to have been responsible, after the *coup* had occurred, for the launching of the punitive expedition, being willing that the Generalissimo's life should be risked rather than that there should be any compromise with the Communists.

Whatever might be the correct interpretation of what had taken place at Sianfu, the outcome, it was generally acknowledged, left the authority of General Chiang Kai-shek fundamentally unweakened. His position and that of the Central Government appeared, at the end of the year, to have survived successfully the assaults which had been delivered from so many different directions—from Canton in the South, Shensi in the West, and Suiyuan in the North—and to have emerged, in fact, stronger than before. No doubt the Government were helped by the fact that there was a definite economic revival in China after a prolonged period of depression. China's economic history in 1936 was summed up by the Chairman of the Bank of China in his annual speech as showing 'an increased measure of centralized monetary control, a remarkable stability of exchange, a substantial recovery of prices and an appreciable revival of business activity with an encouraging improvement in China's export trade'. The

there was for the time being no question of an understanding between them and the Government of China.

increase in exports, which showed a rise in value of $110,000,000 over the figure for 1935, had the additional effect of substantially reducing the adverse trade balance, and, in the opinion of an eminent authority on questions of international finance, China had become in 1936 a creditor on current international account.[1] A good year for the Chinese farmer—agricultural crops were the best for several years past and were valued at some $3,000,000,000 higher than in 1935—contributed to the improvement. Most important of all, perhaps, was the satisfactory progress of the measures which the Government had taken in 1935 for the reform of the Chinese currency, the instability of which had wrought such havoc in the country's economy in the immediately preceding years.[2] Speaking at the end of November 1936, Sir Frederick Leith-Ross, of whose expert advice the Chinese Government had availed themselves in dealing with the problem, said:

> The currency reform introduced last November has worked with remarkable smoothness. The Government Bank Notes have been accepted throughout the country.[3] Silver has ceased to be used as currency and has flowed into the reserves of the Central Bank, where a large part has been converted into foreign currency reserves. Despite several serious attacks the exchange has been firmly maintained, without any difficulty, and the three Government Banks have accumulated resources greatly in excess of those with which they started.

The speaker added that much remained to be done to make the reform complete, and he emphasized the need for establishing a proper Central Reserve Bank, in the creation of which the Chinese Government showed themselves very dilatory, though they had under consideration at the end of the year the recommendations of an expert committee to which a member of the staff of the Bank of England had been attached.

[1] Sir Frederick Leith-Ross, speaking at the Annual Dinner of the China Association on the 30th November, 1936.

[2] See the *Survey for 1935*, pp. 308–10.

[3] With regard to this essential part of the currency reforms, namely the control of the note issue, some doubt was created in the public mind by an action on the part of the authorities which seemed possibly to mark a reversion to the dangerous practice of financing military operations by the use of notes specially issued for the purpose. In 1936 legal status was given to a note issue of $100,000,000 by the Farmers' Bank of China. On the face of it this action was a distinct breaking away from the principle, established in the reforms, of concentrating the legal issue of notes in the hands of three Government Banks, to be superseded eventually by a Central Reserve Bank. It should be added that the exception made in favour of the Farmers' Bank was officially excused on the ground that this bank operated in several of the central provinces where, on account of political conditions, the Government banks had been unable to operate, and that the reserves of the Farmers' Bank were deposited with the Central Bank of China.—G.E.H.

Chinese railway construction also made considerable progress in 1936, and measures were taken to rehabilitate the railway debts that were in default. Settlements were reached with the foreign bondholders, the effect of which, to quote the words of the Chairman of the British and Chinese Corporation, the principal British institution concerned, was to 're-establish the credit of China to a point where she may once again hope to borrow on reasonable terms'. A loan to the Government of £1,100,000 at 6 per cent. per annum for the completion of the Shanghai–Hangchow–Ningpo railway was actually effected through the Corporation in June 1936.

The British Government, meanwhile, who in the previous year had taken the initiative in offering assistance to China in her campaign for economic recovery, took a further practical step in December 1936, when they sent to Shanghai a special representative of the Export Credits Guarantee Department in order to facilitate the extension of commercial credits by Great Britain to China.

Although the belief that China was well set upon the road to economic recovery could find reasonable support from these favourable developments both within and outside the country in 1936, there were yet pointed reminders of the difficulties which remained to be overcome before her recovery could be regarded as firmly established. The national Budget was still seriously unbalanced and the provisional figures of revenue and expenditure for 1935–6 indicated a further increase in the deficit, which for 1934–5 had amounted to $196,000,000. The unduly rapid rise in internal prices was another cause of disquietude, while, finally, the recurrence of terrible famines in West and North-West China showed the precariousness of any growth in prosperity so long as internal communications remained inadequate to cope with conditions of emergency.

(iii) Internal Developments in Japan

The Japanese version of the universal conflict between authoritarian and democratic political creeds, which had come to the surface in 1936 in the murder of General Nagata and the attacks upon Dr. Minobe,[1] broke out in 1936 in a more virulent form, with conse-

[1] See the *Survey for 1935*, vol. i, pp. 312–14. General Nagata, a conservative military officer who, as Director of the Military Affairs Bureau, had been instrumental in bringing about the dismissal of General Mazaki, the radical Director-General of Military Education, was assassinated by a junior officer who invoked the principles of the Showa Restoration Movement in defence of his deed. Dr. Minobe was the exponent of liberal views on the Japanese Constitution, which excited the anger of the 'Young Officers' who wished to revert to direct rule by the Emperor.

quences which for a time shook to its foundations Japan's political structure.

The military rising which took place in Tokyo on the 26th February, 1936, was, like the killing of General Nagata, an attempt by the extreme element in the Japanese Army to force the hand of their own military chiefs by taking 'direct action' against the representatives of the social and political order which they designed to overthrow. It had the double character of a political revolution and of a mutiny. That a mutiny was possible in so highly disciplined a body as the Japanese Army was due to the division which had arisen between the conservative group, among whose leaders was General Hayashi, the Minister for War, and the 'Young Officers' group under the direction of such firebrands as General Hayashi's predecessor, General Araki.[1] The two groups were on common ground in wishing to bring the control of 'defence' policy, conceived in its widest sense, into the hands of the fighting services, but the second group went much further and included in their aims the substitution for parliamentary government and the capitalist system in Japan of a 'military-socialist' totalitarian state under direct rule by the Emperor. The moderates, who professed to honour the Emperor Meiji's injunction[2] against the Army's interference in politics, stood towards the extremists, who were ready to resort to direct action to attain their political ends, in a relationship which to the eyes of an Englishman might be reminiscent of the relations in his own country between the Parliamentary Labour Party and the 'I.L.P.'.

This was the state of affairs in Japanese military circles at the beginning of 1936 when the Government, after having been made the target of attacks by spokesmen of the Seiyukai party and being threatened with a vote of censure at the opening of the approaching session of the Diet, took the step of dissolving parliament on the 21st January.

The elections, which were held on the 20th February, resulted in a heavy loss of seats by the Government's opponents, the Seiyukai party, a gain of sixty seats by the Minseito, which had been lending the Government its somewhat lukewarm support, and a significant increase in the representation of the proletarian[3] parties, the most

[1] See the *Survey for 1935*, vol. i, pp. 311 and 312.

[2] See *op. cit.*, p. 313.

[3] 'Proletarian', the description commonly applied to these parties by writers in the foreign press, is not to be understood as implying a flavour of Communism. The position of these parties, under intellectual leadership, in the political system of Japan has been compared with the position in England of the Fabian Society at the close of the nineteenth century.

important of which, the Shakai Taishuto, or 'Social Masses' party, won eighteen seats.

These election results were disappointing to the 'Young Officers' group, for the success of the Minseito and the defeat of the Seiyukai party strengthened the position of a Government against whom they bore a bitter grudge on account of the stringent official measures which had been taken to control their political activities.

Meanwhile the trial of Colonel Aizawa, the assassin of General Nagata, was continuing. In the course of the proceedings evidence was adduced that Viscount Saito, the Prime Minister at the time, had been personally responsible for the dismissal of General Mazaki, who had been the guiding genius of the 'Young Officers' party, and whose removal had roused their indignation. This development was, it appeared, the immediate signal for the rising which took place in the early morning of the 26th February. About twenty officers and 1,500 men, of whom some belonged to the Regiment of Guards, marched to the residences of the Prime Minister and of a number of other high political personages and murdered, or attempted to murder, the occupants. The Prime Minister escaped, thanks to the heroism of his brother-in-law, Colonel Matsuo, who impersonated him when the rebels broke in and was killed by them in mistake for Admiral Okada. Viscount Saito, the ex-Prime Minister, Mr. Takahashi, the veteran Minister for Finance, and General Watanabe, who had succeeded General Mazaki as Director-General of Military Education, were killed; unsuccessful attempts were made on the lives of Count Makino, who till the end of 1935 had been Lord Keeper of the Privy Seal, and on the aged genro Prince Saionji.

These acts of assassination had to be regarded in the light of a manifesto which was issued by the perpetrators. Their declared aim was 'to exterminate the arch-traitors who are destroying the national polity of Japan'. 'National polity' meant for them the principle, for which they had been fighting, of direct rule by the Emperor standing in immediate contact with the representatives of the Army and Navy. In this manifesto the insurgents were repeating the war-cry of the perpetrators of the assassinations—in which another Prime Minister had been killed—of the 15th May, 1932,[1] when they called on their country to 'arise in arms' and to 'wipe out in the name of the Emperor the evil influences around his Throne'.

After the perpetration of the murders the insurgents barricaded themselves in a number of Government buildings. The military authorities in Tokyo proclaimed martial law, took prompt steps to

[1] See the *Survey for 1932*, pp. 426–7.

maintain order in the capital and called on the rebels in the Emperor's name to surrender. When they refused to do so, troops were called in from the provinces. Every effort was made, however, to restore the Government's authority without resort to force; the summons to lay down arms was repeated in a Special Imperial Order; and eventually the rebels gave themselves up after holding out for eighty-four hours.

In a country where approval of the practice of *hara-kiri* as a political gesture was matched by tolerance of murder as a method of giving voice to political opinions, the shooting of three members of the Cabinet, including the Prime Minister, shocking though it was, had less significance than a similar outrage would have had in any of the capitals of the West. In so far as the assassinations were concerned, the affair of the 26th February, 1936, differed only in scale from the numerous other attacks on the lives of public men which had taken place in Japan since the Restoration and more particularly from 1930 onwards. What made the affair unique—so that it constituted, in the words of a leading representative of the foreign press in Tokyo, 'the greatest internal political event in the history of modern Japan'[1]—was the fact that the rebels, ardent loyalists though they were, had allowed their loyalty to a political creed to clash with their obedience to an explicit order from the Emperor, thus infringing the most sacred traditions of their country.

The shock which such behaviour produced on public opinion in Japan did not preclude a strong current of sympathy with the rebels' motives among the Japanese rural masses, of whose cause the 'Young Officers' had shown themselves zealous champions. With this popular feeling to support them, the responsible military chiefs, by the control which they exercised over Government policy, were able to press forward with their military-socialist programme. In dealing with the rebels themselves the authorities showed, it is true, no leniency. Condonation of the crime was, in any case, made impossible by the action of the Emperor himself who, in the Rescript which was read at the opening of the session of the Diet, expressed his regret at what had occurred. The rebels were tried by court martial, thirteen officers and four civilian accomplices paid the death penalty, and five other officers were sent to prison for life. At the same time the 'clean up' of the corps of officers which had begun in the previous year was carried further, and some 3,000 officers were transferred from their previous posts.

As soon, however, as a Government was formed under Mr. Hirota,

[1] Mr. Guenther Stein in the *Pester Lloyd* of the 3rd May, 1936.

who succeeded the murdered Prime Minister, the Army gave immediate proof of its intention to retain control. Four of the Cabinet appointments which Mr. Hirota proposed to make were vetoed by the military authorities, and four party-members only were allowed to be given Cabinet posts. The principle was established that in the selection of a Minister for War the Chief of the General Staff and the Director-General of Military Education should be consulted. The Army's views in regard to expenditure on armaments and on the development of Manchuria, which the late Minister for Finance, Mr. Takahashi, had done his best to curb, were accepted by his successor, Mr. Baba, and the Budget was framed accordingly, provision being made for an increase by 30 per cent. of revenue from taxation and for maintaining Treasury borrowings at, or rather above, the previous high level. The national self-sufficiency in oil, fuel, and steel which the fighting services demanded was accepted as a principle at which the Government were to aim. State socialization, combined with relief for the rural population, had been other essential points in the militarists' programme. As a movement in this direction, the Government declared it to be their policy to 'put every financial institution which is of major concern to the public interest under the adequate and effective control of the Government', and later announced their intention of taking over the management of five of the largest of the electric power companies of Japan with a view to establishing national control of power production and distribution. In order to ease the financial burden of the peasantry, it was decided to make Exchequer grants amounting to 220,000,000 yen to local authorities to facilitate the reduction of rates.

But at the very time when the Army was directing the course of Government policy along lines dictated by itself, forces of opposition were gathering strength in Japan, which at the end of 1936 and early in the following year were to bring the disagreements between the military and certain of the civil elements in Japan to a sharp issue. In the first place liberal opinion, which had been virtually silenced since the rise of the military to power in 1932, began at this time once more to be vocal. When the Diet reassembled after the February mutiny, Mr. Takao Saito, a Minseito member, condemned in outspoken terms the action of the rebels. He demanded to know how far their ideas had been inspired from higher quarters, and he warned the Chamber of the dangers which arise from military interference in politics. His speech was cheered by his fellow members of the Diet and applauded in the Japanese press, which itself was now becoming increasingly bold in its criticism of Government

measures, especially of those which were known to reflect the views of the military party.

Beside this revival of free speech among politicians and journalists there was another, and perhaps more potent, factor that was fomenting the opposition to military dictatorship in Japanese political life. The militarists' policy was creating serious alarm in financial and business circles. A reference has already been made to the heavy increases in taxation which the Government proposed to impose. The Budget for 1937–8 provided for an increase of expenditure, over that allowed for the preceding year, of 730,000,000 yen; and of this figure 350,000,000 yen represented increases in the appropriations for the Army and the Navy, which now absorbed between them 47 per cent. of the total ordinary revenue. At the same time the expansion of Japan's foreign trade had considerably slowed down[1] and, owing largely to military requirements, imports again shot ahead of exports in value, thus creating an 'adverse' trade balance of 70,000,000 yen, as contrasted with the 'favourable' balance of 26,000,000 yen in 1935. These developments, combined with a substantial and steady rise in commodity prices—affecting particularly the metallurgical industries on which the armament programme so largely depended—and with a serious shortage of funds for short-term investment, encouraged the fears of inflation which for several years past had been hanging over the country. With their apprehensions aroused by these disquieting tendencies, which were largely attributable to Government measures, the mercantile community, after having held aloof from politics since the murder of Baron Dan in 1932, now ventured once more to assert their influence in public affairs, and it was rumoured that they were again financing the political parties.[2]

In the autumn of 1936, the dissatisfaction which the Government's domestic policy was provoking was intensified by serious misgivings regarding Japan's position abroad, in the light of the palpable failure of the handling of the situation in China and of the uncertainty which prevailed in the public mind concerning the effects for Japan of the agreement which was concluded with Germany on the 25th

[1] Japan's exports of cotton goods in 1936 declined from the level of 1935 by 171,000,000 square yards, and the decrease in value was 7,000,000 yen.

[2] *The Oriental Economist*, in an editorial article in its issue for February 1937, mentioned the formation by Osaka business men of an organization which was said to exist for this purpose. The writer, while admitting lack of proof of the passing of money, continued: 'It has been our personal experience since last year to sense in Tokyo, Osaka and other sections of the country a growing feeling of unrest and dissatisfaction among citizens of all classes towards the Government which seemed to centre in the Army.'

November, 1936.[1] In facing these combined currents of criticism, the Army leaders were, moreover, no longer able to reckon with effective support from their colleagues of the Navy. The latter were showing themselves increasingly opposed to the Government's continental policy,[2] and, being more conservative minded and relying for the advancement of their own plans for Japanese expansion on the co-operation of the capitalists, they did not at all wish to see the financial and business interests sacrificed to the Army's theories of state socialism.

This challenge from different directions to the dominant influence of the Army—exercised, though it was, by methods which, on the surface at least, were constitutional—was bound, in view of the uncompromising attitude of the military leaders, to lead to a crisis. The crisis was not reached till the beginning of 1937, but, since it was the climax of the internal political developments in Japan with which the present chapter has dealt, the record will be carried forward to include its principal features.

On the 21st January, 1937, a series of speeches on the Government's policy were delivered in the Diet by the Prime Minister, by the Minister for Foreign Affairs, and by the Minister for Finance. A statement by Mr. Baba that the Budget deficits would continue for some years was greeted with cries of dissent and disapproval. Mr. Hamada, the leader of the Seiyukai party and a former Speaker of the House of Deputies, then attacked the Government for having given way to pressure from the Army, for having lent itself to Fascist manœuvres in entering into the anti-Communist agreement with Germany, and for having thrown the national finances into confusion; he finished with reflections upon the absence of discipline in the Army. The Minister for War, General Terauchi, replied indignantly, protesting against the insult to the Army and inviting the speaker to purge his offence by committing *hara-kiri*. After the adjournment of the Chamber, General Terauchi attended a meeting of the Cabinet, where he was reported to have demanded the immediate dissolution of the Diet. As a compromise measure the Cabinet decided that the sittings of the Chamber should be temporarily suspended. The military leaders persisted, however, in demanding a dissolution, and the Cabinet, being unable to agree on a course of action, resigned two days later. General Terauchi, mean-

[1] See pp. 925–9 below.

[2] The abstention of naval officers from any participation in the February mutiny had been a noticeable feature in view of the part which they had taken in the affair of May 1932.

while, took pains to remove the impression that this was merely a passing quarrel, and he insisted that the issue which had arisen was a fundamental one. In a statement to the press he declared that the political parties had made it plain that their conception of Japan's situation was radically different from that entertained by the Army and that the breach was one which could no longer be patched up by compromise. As to what the Army's conception was, this was defined afresh by the War Office spokesman in what had now become stereotyped phrases. The Army, he said, considered it necessary that Japan should be able to 'guarantee the tranquillity of East Asia', was dissatisfied with the *status quo*, and demanded that the Government should 'renovate the Administration, stabilize the people's livelihood and carry out a defence programme in order to establish an ever-advancing Japan'. In commenting on this statement the Tokyo correspondent of *The Times* observed that it gave expression to a creed to which the whole Army subscribed and which implied, not an open military dictatorship, but the existence of a Government which should be at the same time 'strong' and docile. To fulfil the Army's demands, he added, the Government would have to be, 'if not a Nazified, at least a Nazi-like Government.'[1]

After Mr. Hirota's resignation an Imperial order to form a new Government was given to General Ugaki, a former Governor-General of Korea who enjoyed a reputation for moderation and had a record of cordial relations with the political parties. His nomination met, however, with such resolute opposition from the Army that the appointment was abandoned. General Hayashi, a former Minister for War, was then entrusted with the task. His selection of Cabinet Ministers brought about a sharp conflict between the Army and the Navy which illustrated the decrease in solidarity between the two fighting services to which allusion has already been made. The representatives of the Navy successfully opposed the appointment of several of General Hayashi's nominees, and it was probably due in considerable part to their influence that the Cabinet, as eventually constituted, contained two Ministers, in 'key' posts, whose character was such as to have a reassuring effect both upon *bourgeois* sentiment in Japan and upon opinion in foreign countries, where the Japanese political crisis was being followed with close and anxious attention. The portfolio for Foreign Affairs was given to Mr. Sato, the Ambassador in Paris, who had earned by his public speeches the reputation abroad of being both liberal and international minded, while the new Minister for Finance was Mr. Yuki, a banker and a former

[1] See *The Times* of the 25th January, 1937.

President of the Tokyo Chamber of Commerce. The significance of these appointments became clear when Mr. Sato, soon after his appointment, announced that he intended to place relations with China on a new footing, which would imply respect for China's claim to be treated as an equal, and when Mr. Yuki appointed as Governor of the Bank of Japan one of the former heads of the firm of Mitsui, which had been the target of particularly violent attacks by the more extreme elements in the Army. Mr. Yuki also effected a considerable downward revision of his predecessor's Budget proposals, reduced the suggested taxation, and modified the plans for borrowing. The impression that the forces of moderation had gained ground in Japanese policy both at home and abroad was confirmed by a statement by the new Prime Minister in which he promised the maintenance of the parliamentary system 'in strict accordance with the spirit and letter of the Constitution'. It seemed as though the Japanese military party had become sensitive to the loss of popular sympathy and had decided that the time had come to agree to the demand for a more liberal and, in foreign affairs, less aggressive policy. There was still no evidence, however, of any willingness on the part of the Army to relinquish in any degree the control which they had established over Japanese politics. Later developments in 1937 showed, in fact, that they were prepared to ride roughshod over the political parties whenever the latter showed signs of opposition. If the crisis of January 1937 was to be regarded as opening a new stage in the struggle between the military and the civilian elements in Japan, the result of the first encounter remained a matter of some doubt, though in the eyes of at least one competent Japanese observer the outcome had to be interpreted as a victory for the militarists. 'On balance', wrote Mr. Tsunego Baba, the veteran Labour leader, 'the Army had won the battle.'[1]

(iv) The Economic and Strategic Relationship of 'Manchukuo' to Japan.

In the years following the seizure of Manchuria in 1931 Japanese opinion had shown itself to be solid in its support of an expansionist foreign policy, in the belief that this would provide a remedy for the difficulties created for Japan by pressure of population. But although the principle was accepted, there was a strong division of opinion as to the direction in which expansion should take place. Corresponding broadly to the views held by the Army and Navy respectively, there

[1] In *Contemporary Japan*, March 1937, page 543.

were two schools of thought—the 'continental' and the 'oceanic'. The former looked to the mainland of Asia as the field for expansion and saw in Manchuria Japan's economic, as well as strategic, 'life-line'. The latter looked southward to the islands and archipelagos of the Western Pacific and applied the same designation to Japan's insular possessions stretching to and along the Equator.

Japan had taken Manchuria and pushed on over the frontiers into China and Inner Mongolia under the influence of the 'continental' doctrine. By the beginning of 1936, however, and still more pronouncedly during the course of that year, doubts arose as to the ultimate profitableness of this line of advance, and interest began to turn to the prospects of southward expansion.[1] Thus the results obtained by Japan in Manchuria became of interest to foreign observers not only on account of their direct effects upon the two countries principally concerned, but also on account of their bearing on the general direction of Japanese foreign policy. Some record of developments in the state of 'Manchukuo' remains, therefore, a necessary part of a survey of Far Eastern affairs.

Japan's Manchurian achievements up to the end of 1934, as they were summed up in the *Survey* for that year, showed a great increase in strategic strength, little success in the political sphere, and, finally, disappointing economic results. Meanwhile, 'Manchukuo' had become the arena for a sharp conflict between different Japanese groups representing conflicting interests and contrary political theories. This had resulted in a definite victory for the militarists and the supporters of state socialism, who had ranged themselves against the politicians and the capitalists. The Army had thus won for itself the control of economic development, the influence of the Ministries for Foreign and for Overseas Affairs had been effectively reduced, and the more important administrative functions, including the control of the Leased Territory and the supervision of the South Manchurian Railway Administration, had been concentrated in the hands of a single military officer who filled the rôle of Ambassador-cum-Commander-in-Chief. The departmental conflict having resolved itself in a military autocracy, the military autocrats were able to give their undivided attention to schemes for economic develop-

[1] Vice-Admiral Takahashi, the Commander-in-Chief of the combined Japanese fleets, when addressing a meeting of Japanese business men in January 1936, was reported to have said: 'It is likely that Japan's economic advance in "Manchukuo" will soon reach its limits, and therefore the Empire's future commercial expansion must be directed to southern seas. In such an event the cruising radius of the Japanese Navy must quickly be expanded so as to reach New Guinea, Borneo and the Celebes.'

ment, and the financing of these schemes, making, as it did, overwhelming demands upon the investment resources of Japan, became an outstanding feature in the relationship between Japan and Manchuria during the next two years.

By the autumn of 1935 the problem of banking and currency reform, perhaps the most urgent which had faced the new state when it came into existence, had been solved to the satisfaction of the Japanese financial authorities. The Manchurian dollar had first been divorced from silver and then, after an interim period of pure 'managed control', brought into parity with the Japanese yen, while the issue of currency-notes had been unified under a central bank which had built up a specie reserve to cover over 50 per cent. of the issue. At the same time the Government income and expenditure had been brought into a reasonable equilibrium which contrasted strongly with the unbalanced state of the public finances of Japan, though the position would have been very different had not practically the whole burden of military expenditure in Manchuria been charged to Japan's internal military Budget.[1]

Some solid economic groundwork had therefore already been laid when, in the autumn of 1936, the 'Manchukuo' Government worked out a five-years' plan which was to be brought into effect from the 1st January, 1937. The plan, which had been drawn up by the Japan–Manchukuo Joint Economic Commission (whose chairman was the Chief of Staff of the Kwantung Army), involved an aggregate expenditure estimated at figures varying from $1,500,000,000 to $2,800,000,000, even the smaller sum being greater again by one-half than the amount which, it was estimated, had been invested by Japan in Manchuria in the five years since its conquest. The hand of the military was apparent in the prominence given in this huge development scheme to the promotion of heavy industries, particularly those concerned with the output of coal, fuel oil, iron and steel, chemicals and munitions, which were all of primary interest from a strategic standpoint. On the side of agriculture the scheme was mainly concerned with an increase in the production of wool and wheat, two commodities in respect of which the advocates of Japanese self-sufficiency were particularly anxious to reduce their country's dependence on foreign sources lying outside its control.

Of the funds required, the 'Manchukuo' Government itself was to provide rather more than one-half out of increased taxation together with the proceeds of loans to be issued at home and abroad,

[1] In 1936 the Government of 'Manchukuo' contributed 19,500,000 yen out of a total military expenditure of approximately 200,000,000 yen.

while the remaining half was to be drawn from the South Manchurian Railway and from the Japanese private investor.

The South Manchurian Railway had from the start acted as fairy-godmother to the new Manchurian state. It had assumed the management of all the Manchurian railways, as well as of the new ports, Rashin,[1] Seishin and Yuki, on the Korean coast, together with the Northern Korean railways linking those ports with the Manchurian system; it had enlarged its industrial activities to include nearly eighty subsidiaries; and, above all, it had acted as the main channel for Japanese investment in Manchuria, having raised as much as three-quarters of the whole of the capital imported between 1932 and 1936. In the October of the latter year, the company underwent a functional reorganization. This included the formation of an Industries Department which was to exploit the uncultivated areas bordering on the newly built railways in North Manchuria, to expand the Company's existing industrial enterprises—especially those for producing coal and iron and steel and for extracting oil from coal—and lastly to develop mines and industries in North China under the aegis of a semi-official corporation, the 'North China Development Company'. In order to finance these projects the South Manchurian Railway proposed to call up unpaid capital and to issue further debentures amounting, in all, to more than 400,000,000 yen.

At the beginning of 1936 the military element in Manchuria appeared to be succeeding in their development plans, which, it was obvious, had little regard for cost but were calculated to promote the economic self-sufficiency of the Japanese Empire. The warnings given by the more conservatively inclined officials of the South Manchurian Railway, by business organizations such as the Tokyo Banks Clearing House, and even by Mr. Takahashi when he was Japanese Minister for Finance, were all brushed aside. When later Mr. Baba took control of the Japanese Exchequer after Mr. Takahashi had been assassinated in the February military revolt, he departed from his predecessor's policy to the extent of pledging himself to support the militarists' programme and promising to secure Government assistance in the flotation of loans and to provide the Government share of uncalled capital. He warned the business community that they 'must support the Government plans for

[1] The construction of Rashin, which was the most important of the three ports, and was designed for the handling of 9,000,000 metric tons of cargo, had reached by the end of 1936 a point at which five berths had been completed. The final completion of the harbour was due to take place in 1947.

investment without any idea of profit'. The banks agreed to the finding of fresh capital, though they stipulated that 'uneconomic' projects should be paid for out of the Government's share.

By the end of 1936, however, the position had materially changed. The Budget proposals and the ambitious 'Six-Year Plan' of the Japanese War Departments had been made public and there was general consternation at the huge and increasing financial commitments into which the country was being led. A reaction set in against the demands of the military planners, and both the banks and the Finance Ministry itself began to draw back, the latter going so far as to veto a programme for the issue of debentures which had been put out by the South Manchurian Railway.

Meanwhile the Manchurian 'balance sheet' of the last five years was being brought under scrutiny in financial circles in Japan. Japanese exports to the new state had increased fivefold, but a very large part of the exports, consisting of capital goods, had been financed out of Japanese money.[1] In cotton goods, the most important export for consumption, the Manchurian market had barely recovered its 1929 level. At the same time, as a source of raw materials for Japan, the increase in Manchurian productiveness had been far from impressive. Total Japanese imports from Manchuria had risen in value by less than two-thirds since 1931, compared with a rise of almost 100 per cent. in Japanese imports as a whole. There was no rise in the supplies of Manchurian raw cotton and among 'essential' raw materials pig-iron alone was reaching Japan in greatly increased quantities. The export of coal and of chemicals (chiefly salt and ammonium sulphate) had been considerably developed, but this was a trade which was in damaging competition with production in Japan and provoked widespread complaint from the Japanese manufacturers. For supplying Japan's pressing needs in other classes of raw materials—wool, timber, pulp, &c.—the exploitation of Manchuria had done little or nothing so far and held out at the most an uncertain hope for the future. From the strictly strategic point of view, which was the standpoint of those most responsible for the development planning, possibly the greatest asset which Japan was able to look for from Manchuria was the supply of oil produced from the liquefaction of coal; but it still remained to be seen whether the operations which had been set on foot in the South Manchurian coal-fields would prove a success when

[1] Between 1932 and 1935 Japan's trade with Manchuria had shown an 'active' balance amounting to 630,000,000 yen, but meanwhile 800,000,000 yen had flowed from Japan into Manchuria in the form of investment.

developed on a large scale.[1] The cost of the process was, in any case, bound to be great.

This summary of the situation in 1936 in regard to Japan's investment in Manchuria and the return which Japan was obtaining will suffice to explain the doubts which gained strength in Japan as to the economic relief to be looked for from further expansion on the mainland—doubts which were further increased by the meagre results of attempts to extend operations to North China with a view to tapping its natural resources.

To continue to lavish effort and money on development undertakings, so large a part of which was demonstrably unsound from a purely economic standpoint, required an act of faith of which the military groups, with their intense nationalist spirit, were alone wholeheartedly capable. For the time, however, this same nationalist spirit was the strongest directing force in Japan. Here, fully as much as in contemporary Germany, self-sufficiency had become the order of the day, and the resistance which the Japanese 'Schachts' could oppose to the Japanese 'Görings', though showing signs of hardening, was still for the most part ineffectual.

The community of outlook between Germany and Japan, which had been induced by similarities in economic environment and in international status, was to produce an important political result in the anti-Communist pact which the two Governments concluded in November 1936, and which is dealt with in other chapters of this *Survey*.[2] The pact was preceded earlier in the year by a triangular trade agreement between Germany, Japan and 'Manchukuo', which held the promise of material economic advantage to the last mentioned country. This agreement, which was signed in Berlin on the 30th April and made public on the 1st June—from which date it came into force—provided that Germany should, during the ensuing year, admit imports from Manchuria up to the value of $100,000,000 (the equivalent of £6,000,000), and that in respect of three-quarters of the imported goods Germany should draw on her holdings of foreign exchange, while, in payment for the remaining quarter, Reichsmarks should be deposited in a special account to be earmarked for 'Manchukuo's' purchases from Germany. An important supple-

[1] In 1934, the latest year for which figures were available, the production of shale oil at the Fushun mines was equal to approximately 2 per cent. of the quantity of petroleum oil consumed in Japan. Japan was dependent on foreign sources for about 90 per cent. of her total requirements. Of the imported petroleum she took 65 per cent. from the United States and 20 per cent. from Netherlands India.

[2] See Part III, section (ii), and section (vi) (*b*) of this part.

mentary stipulation was that, if Germany's trade with Japan should show a favourable balance surpassing a specified figure, a corresponding increase should occur in the quantity of Manchurian goods to be imported by Germany under the new agreement. In view of Manchuria's dependence on the trade in soya beans and their derivatives —which represented almost exactly one-half of her exports—and of the fact that Germany was for these the greatest potential market, this opening of a door to Manchuria in the German currency barrier, combined with an attempt to encourage a 'three-way' exchange of goods between the countries concerned, was well calculated to supply a much needed aid to the revival of Manchurian prosperity.

An exchange of resident trade commissioners between Germany and 'Manchukuo', which was arranged at the same time, was welcomed in Japan as a further step towards diplomatic recognition. Later in the year the Italian Government made a move in the same direction—if there was truth in the report that an Italo-Japanese agreement which had been signed in November implied recognition of 'Manchukuo's' 'gain' and Abyssinia's loss of independence and at the same time confirmed Japan's commercial interests in Abyssinia and her right of access to the raw material resources of that country. The full terms of the new agreement were not published, and all that was officially announced was that the Italian Government had asked for, and obtained, permission to establish a Consulate-General at Mukden while simultaneous arrangements were being made for the appointment of a Japanese consular representative to reside at Addis Ababa. The British Government had, meanwhile, once more reaffirmed their adherence to the principle of non-recognition in an answer to a parliamentary question which had been given in the House of Commons at Westminster by the Secretary of State for Foreign Affairs on the 28th October. The Chinese Government, for their part, continued steadfast in their refusal to accord the recognition of 'Manchukuo' which the Japanese Government persisted in pressing for as one of the chief points in their demands for 'sincerity' and 'co-operation'.

Within the family circle, relations between Japan and 'Manchukuo' underwent no material change. On the 10th June an agreement was signed by representatives of the two Governments concerned which represented a step towards the abolition of Japanese extra-territorial rights, coupled with the removal of existing restrictions upon the rights of Japanese subjects in regard to residence, travel, trade and the ownership of land[1] in 'Manchukuo'. Japanese subjects

[1] A special provision laid it down that land leases should be converted into

in 'Manchukuo' were to become amenable in principle to local taxation after agreement had been reached between the Manchurian Minister for Foreign Affairs and the Japanese Ambassador as to the scope and manner of application of the taxation laws, which were in any case to be administered by Japanese consular officers until Japanese subjects came within the jurisdiction of the local courts. Moreover, certain taxes were to be reduced when applied to Japanese subjects, and the latter were to receive treatment 'no less favourable in any circumstances' than that accorded to subjects of 'Manchukuo'. Finally, the Japanese administrative police in 'Manchukuo' were to be abolished and the special educational, sanitary and public works institutions maintained by the South Manchurian Railway inside the railway zone were to be handed over to the Government. The provisions regarding taxation were to be applied as from July; those concerning the police were to come into force in the course of the following year.

The proposal to surrender extra-territoriality in 'Manchukuo'—a legacy inherited from the Chinese régime—had been occupying the Japanese Government since the beginning of the year 1935, when a committee had been set up to advise the Government on the matter. On the 29th July of that year the Foreign Office at Tokyo had announced in this connexion that the question of foreign claims to extra-territorial rights could not arise, since such rights existed only in virtue of a voluntary declaration by the Government of 'Manchukuo' itself,[1] and this was a Government which the foreign Powers

titles of possession. The Chinese complained that the new arrangements placed Japanese subjects in Manchuria in a more favourable position than the natives of the new state.

[1] i.e., in a paragraph in the note of the 12th March, 1932, asking for the recognition of other Governments. For the despatch of this circular communication, see the *Survey for 1932*, pp. 553–4. The relevant passage, which is not quoted in *loc. cit.*, is as follows:

> As regards the relations with foreign nations it has been definitely decided that diplomatic intercourse shall conform to the several principles hereinafter stated. . . .
>
> 3. That the Government shall succeed to those obligations incurred by the Republic of China by virtue of treaty stipulations with foreign countries, in the light of the internal laws and conventions, and that these obligations shall be faithfully discharged.
>
> 4. That the Government shall not infringe upon the acquired rights of the peoples of foreign countries within the limits of the state of Manchuria, and further that their persons shall be given full protection.

In the same document the Government of 'Manchukuo' announced that it was their intention 'to welcome the entry of the peoples of foreign nations into, and their residence in, Manchuria' and to observe 'the principle of the

had refused to recognize. When the general principle of abolition had been approved by the Japanese Cabinet on the 9th August, 1935, their decision had been explained as being due to the necessity 'to afford Manchukuo free scope for development, to establish closer union with Japan and to make possible the general advance of Japanese interests'. The Government had stated at the same time that the abolition would proceed by gradual stages so as to avoid 'sudden changes in the lives of the Japanese community', and also that Japan would retain the Railway Zone though gradually transferring her administrative rights in that area, while the Kwantung Leased Territory was to be definitely excluded.

To give substance to the contention that other foreign Powers had no status in the matter of extra-territorial rights, the Foreign Minister of 'Manchukuo' announced on the 1st July, 1936, that his Government had decided to abolish the special treatment gratuitously extended to foreign nationals, though he added that the withdrawal of privileges would be gradual and would be 'guided by a spirit of conciliation', and that his Government were prepared to consider proposals for opening negotiations with other Powers regarding the status of the negotiating Governments' respective nationals residing, in either case, in the other party's territory. The foreign Powers themselves allowed both these declarations of policy and the announcement of the Japanese-'Manchukuo' treaty to pass without protest. The question was indeed raised in the House of Commons at Westminster on the 8th July, 1936; but the reply given on behalf of the Secretary of State for Foreign Affairs was that no details were available to show the intentions of the 'Manchukuo' Government. In the same week, however, news came from Manchuria of an incident which provided a signal illustration of the danger of abuses of justice of the very kind against which the extra-territorial system of jurisdiction had originally been designed to protect foreign residents. A British Indian subject had on the 17th June been arrested on a charge of fraud; the demand of the British Consul-General at Mukden for the surrender of the prisoner to be tried in the consular court was ignored; and when the man was eventually released three weeks later he was found, on being medically examined, to have been beaten and subjected to torture, and similar brutal treatment was reported to have been applied to the

Open Door' in regard to 'the economic activities of the peoples of foreign nations within the state of Manchuria'.

The text of the circular note of the 12th March, 1932, will be found in the *Japan-Manchoukuo Year Book*, 1934 edition, pp. 880-1; 1937 edition, p. 667.

prisoner's wife and son. The existence of medical evidence of torture was confirmed by Mr. Eden in a statement in the House of Commons at Westminster, and it was allowed to be known that under instructions from the Foreign Office His Majesty's Ambassador in Tokyo had entered a strong protest.

(v) Relations between China and Japan

The readjustment of political and economic relations between Japan and China—the necessary prelude to any comprehensive settlement of the general Far Eastern problem—made, as has been noted in an earlier chapter, little concrete progress in 1936. There were even moments during the course of that year when an outbreak of hostilities between the two countries loomed closer than at any time since the end of the 'Shanghai War' in 1932. Yet in none of the three intervening years had such persistent efforts been made to reach a *modus vivendi*. Prolonged diplomatic conversations in the autumn of 1936 actually brought the two parties to the threshold of an agreement providing for the settlement of a number of secondary points at issue, which might well have cleared the ground for an agreement on fundamentals. At the last moment the negotiations were wrecked by the uncontrollable activities of the Japanese Army in Manchuria, but they had at least served to show more clearly the nature of Japan's demands, which, as the Chinese repeatedly complained, had remained previously both ill defined and changeable.

Meanwhile the situation as a whole underwent a material alteration through the effect of two important internal developments in China. The first of these was the progressive revival of a nationalist spirit, favouring resistance to Japan, the emergence of which in 1935 was noted in the *Survey* for that year;[1] and the second, the greater strength shown by the Chinese National Government in resisting pressure from outside upon regional authorities. The internal political developments in Japan, which have been described in an earlier chapter of this volume, were also not without considerable effect upon diplomatic intercourse between Japan and China in 1936. By raising a popular reaction against military interference in foreign policy they helped to direct negotiations with China back again from unofficial into diplomatic channels.

During the greater part of 1935 the issue which dominated the relations between China and Japan had been the question of the political status of North China. As was recorded in the *Survey* for that year,[2] the endeavour of the Kwantung military clique to create

[1] See the *Survey for 1935*, vol. i, p. 324. [2] *Op. cit.*, pp. 324 *seqq.*

an autonomous area out of five of the northern provinces had miscarried, though it had had the effect of impelling the Nanking Government to set up, by their own action, a semi-autonomous organ of government, the Hopei and Chahar Political Council, to control the two provinces adjacent to 'Manchukuo'. Meanwhile an 'autonomy within an autonomy' had been formed by the declaration of independence of a portion of Hopei province under Yin Ju-keng, whose true position as a puppet-ruler under Japanese control there was little attempt to conceal.

The value for Japanese purposes of these experiments in 'autonomy' remained to be tested in the ensuing year. As the year progressed it became clear that the administration which had been set up in Peiping, under the presidency of General Sung Che-yuan, was proving a disappointment. The new Government, so Japanese spokesmen complained, was turning out to be both inefficient and self-seeking, while General Sung himself, who had been virtually a Japanese nominee, was showing himself unexpectedly recalcitrant to the recommendations of his Japanese advisers. The General could not, however, be displaced without a risk of complications, since his personal authority was required for the control of his troops, the only Chinese military force which the Japanese had permitted to remain in the province, and the troops were showing signs of increasing restiveness.

The Chinese reaction to Japanese interference in the affairs of the northern provinces was, in fact, becoming more pronounced in all parts of China. In the middle of January 1936 a body of four hundred students from Peiping and Tientsin travelled on foot to Nanking to protest to the Prime Minister in person. A demonstration of students took place a fortnight later in Shanghai and led to a riot necessitating the proclamation of martial law. Groups of older 'intellectuals' issued manifestoes representing that China was being reduced to the status of a Japanese colony. In Peiping itself the students' agitation was so vigorous, in spite of the imprisonment of large numbers of them, that in June the authorities took the step of dissolving all student organizations. In the latter half of the year anti-Japanese feeling began to show itself in the more serious form of a series of outrages, including several murders, which were perpetrated upon Japanese residents in various parts of China.

The cumulative effects of these anti-Japanese incidents upon the general relations between China and Japan will be considered when the position which arose in Shanghai and Nanking in the autumn of 1936 comes to be dealt with. We must first, however, review the

separate developments in North China, where Japanese policy was, if not originated, at all events translated into action by a group of military officers who represented the views and intentions of the Kwantung Army in distinction from those of the Tokyo Foreign Office. The broad lines of that policy were aimed, as the events of the previous year had already clearly shown, at the severance of connexions between North China and Nanking and at the creation of fresh ties uniting the former to Manchuria—'North China' connoting, for this purpose, the already semi-independent Hopei–Chahar bloc together with Suiyuan, the province of Inner Mongolia adjoining Chahar to the west. Shansi and Shantung provinces, whose Governors had so far resisted inducements to join the 'autonomy movement', were no doubt included as eventual recruits to the bloc in the plans of the Japanese militarists, but they remained outside the immediate zone of Japanese influence.

The fields in which this reorientation was planned to begin were Government finance, railway and air communications and industrial enterprises and investment. As a step towards the financial independence of the Hopei–Chahar Political Council, its Chairman, General Sung, was pressed by his Japanese advisers to stop the remittance to Nanking of the Central Government's revenues, including the Customs receipts. When, however, the Customs officials were commanded to pay revenue into the account of the Government in Peiping, counter-orders were promptly issued by the Inspector-General of Customs, and when the Peiping authorities refused to take up this challenge, the threat of seizure was abandoned. Later in the year a further attempt was made to interfere with the Customs administration by the illegal establishment of local offices for the collection of a surtax on revenue, but this action gave rise to such violent public protests that it also was given up. A plan to divorce the currency of North China from that of the rest of the country by setting up a separate central bank, closely allied to the Japanese Bank of Chosen, likewise proved ineffectual, and by the end of the year the financial relations between Peiping and Nanking had undergone no radical change.

In the matter of communications, General Sung was urged to enter into an agreement for the building of the Shihchiachuang–Tsangchow Railway (a short cut connecting the coal-bearing districts of Shansi province with the sea, which had long been a favourite Japanese project[1]), for the construction of a harbour at the mouth of the

[1] The Japanese claimed that a contract for this railway had been made with the Chinese Ministry of Communications as far back as July 1929. The Chinese

Haiho river leading to Tientsin, and for the establishment of air services to connect Hopei with Manchuria. Although a general agreement on these various projects was reported to have been reached in November between General Sung and the Commander of the Japanese garrison in North China, it was only in the case of the air lines that any concrete result was achieved in 1936. A Sino-Japanese company was formed for the operation, by Japanese pilots, of air routes between Peiping and certain points in 'Manchukuo' and Jehol, and regular services started in November. General Sung defended his action, in reply to the widespread criticism which this concession evoked on the Chinese side, by stating that the establishment of aerial communication with Manchuria was one of the terms imposed in the unpublished clauses of the Tangku Truce of the 31st May, 1933.[1]

In the sphere of industrial enterprise the chief demand that was pressed by the Japanese was for the exploitation in Japanese interests of the iron ore deposits of Chahar. In the agreement made with the Political Council in the autumn of 1936, the Japanese were stated to have obtained the Council's consent in principle to a project for reopening the Lungyen mines in that province, but no action had actually been taken in regard to this by the end of the year. In the meantime private Japanese interests had, however, been strengthening their foothold in North China in several directions. At Tientsin they had obtained a share of control over salt production—a matter of great concern to the Japanese chemical industry—as well as over coastal navigation; a Sino-Japanese combine had also been founded for the purpose of exploiting cotton cultivation and the production of wool in North China, but its activities were brought to a stop by the outbreak of the war in Suiyuan to which reference will be made later.

Japanese plans for 'economic co-operation' in North China thus encountered a number of checks through Chinese reluctance to co-operate, though perhaps an equally great hindrance was the paucity of Japanese capital available for overseas investment. The reluctance of the local Chinese officials could be largely attributed to widespread manifestations of popular revolt against Japanese domination. The cause of the strongest outburst of Chinese national sentiment was the smuggling scandal which had developed in 1935[2] and continued

maintained that though the contract had been made it had been negotiated and signed by an unauthorized subordinate of the Ministry, who was consequently dismissed, and that the Japanese Legation had been informed at the time that the agreement was to be considered as null and void.

[1] See the *Survey for 1933*, pp. 481–2.

[2] See the *Survey for 1935*, vol. i, pp. 310–11.

in the following year. According to the *Introductory Survey of the Trade of China, 1936*, published by the Inspector-General of the China Maritime Customs, the estimated value of illicit goods entering Tientsin and escaping the duty attained in the middle of the year to no less a figure than two million dollars a week. Compelled to comply with demands, based on the terms of the Tangku Truce, that within the 'demilitarized zone' Customs officers should not carry firearms, and that within three miles of the coast in the prescribed area armed vessels belonging to the Customs should not carry out their functions, the preventive service was impotent. Extraordinary scenes were witnessed by foreigners in that area—beaches piled high with cases of sugar, gasolene, cotton, and rayon goods, &c., which were openly landed from junks and steamers, and trains invaded by Korean and Japanese smugglers who ejected passengers and baggage to make room for their cargoes of contraband. By the summer of 1936 the 'racket' had reached such dimensions as to become an international issue, and representations were addressed to the Japanese Government by the diplomatic representatives of both Great Britain and the United States, the former being under instructions from the Foreign Office to impress the need for restoring to the Chinese officials the necessary means of exercising their authority. The Japanese Foreign Minister in reply declared that the activities of the smugglers were not receiving Japanese official support as a means of exerting pressure on the Government of China, and that the blame rested on the inefficiency of the Chinese Customs Service and on the excessively high duties imposed by the Chinese tariff.[1] Mr. Arita added, however, that he would have the situation looked into on the spot by a delegate from the Foreign Office, and the Director of the Asiatic Section of the Foreign Office was despatched to China for this purpose. After these diplomatic exchanges a certain improvement took place, though it remained a matter of doubt whether this was not chiefly attributable to the glutting of the market in North China. Later in the year, however, a recrudescence of the smugglers' activities was observed. The Chinese Customs Service had, indeed, by the introduction of new methods of operation along the principal routes of egress, succeeded in establishing a cordon which checked the passing of smuggled

[1] On the subject of the level of Chinese Customs duties Sir F. Leith-Ross, in a statement which he made to the press at Shanghai on the 22nd June, before his return from China to England, referred to the desirability of reducing these duties in the interests of China's rural economy and said: 'In my opinion a downward revision of the present tariff would be advantageous to China.'

goods southward from Tientsin, but, in the face of threats of force from the escorts of armed Japanese and Koreans who accompanied the motor trucks loaded with contraband, the Customs officers were frequently unable to do their duty effectively, and illicit goods again penetrated into adjoining provinces in very considerable quantities. An estimate made by the Inspectorate-General of Customs placed the total amount of duty evaded during the year at the 'staggering figure of $50,000,000', though the writer of the report was careful to point out that this did not necessarily represent the sum lost to the Chinese Exchequer, since the demand for smuggled goods was naturally stimulated to an abnormal extent by their cheapness.[1]

To complete the survey of the relations in 1936 between Japan and the semi-autonomous Government which had been brought into being in North China, two further events have to be recorded. The first of these was the acceptance by the Hopei–Chahar Political Council of Japanese diplomatic and economic advisers and the consequent appointment in August of the former Japanese Consul-General in Tientsin as adviser on foreign affairs. The second was the increase in the Japanese garrison in North China, the strength of which was raised to approximately 6,000 men.

While the Japanese were thus occupied in consolidating their political and economic position in the two provinces in North China which they had succeeded in partially removing from the control of the Chinese Central Government, their military leaders were vigorously pursuing their policy of extending their sphere of influence westwards along the Mongolian corridor, where, to use an expressive metaphor applied by the Peiping correspondent of *The Times*, they were engaged in building a new Great Wall of China which, by encircling the northern provinces, would bar the inroads of Russian Communism as the wall of Ts'in Shih Hwang-ti had barred the invasions of the Hionguu.

By the end of 1935 Japanese westward penetration—consisting of

[1] The situation in regard to smuggling showed signs of improving in the spring of 1937. Sir Frederick Maze, the Inspector-General of the China Maritime Customs, informed press representatives in London on the 13th May that, although the door in East Hopei remained unguarded and the position there was unlikely to improve until the sovereign rights of China were restored in the demilitarized area, nevertheless the Japanese civil authorities and some of the Japanese military authorities had lately signified their willingness to support the China Maritime Customs in their efforts to stop the orgy of smuggling prevalent in China. Furthermore, the local Chinese provincial authorities were giving the Customs Preventive Services their effective co-operation on the railways and on the roads.

the occupation by 'Manchukuo'-Japanese troops of the main strategic centres, the erection of 'wireless' stations and aerodromes, and the placing of intelligence officers in so-called 'listening posts' scattered over the country—had advanced approximately to the Chahar–Suiyuan border. Further progress was made more difficult by the fact that Suiyuan was under the political and military control, not of the Political Council in Peiping upon which pressure could be directly applied, but of a separate Governor, General Fu Tso-yi, who, secure in his headquarters at Kweihua in Shansi, was much less amenable. Fu Tso-yi could, moreover, rely on support from his neighbouring colleague, Yen Hsi-shan, the Governor of Shansi, who, in his turn, received military reinforcements from General Chiang, the Chinese Commander-in-Chief.

The weak spot in China's defence of her remaining Mongolian territories lay in the disaffection of the Mongols. The Inner Mongolian autonomy movement had led in 1933 to the establishment of an autonomous Council, as was recorded in the *Survey* for that year.[1] The promises then given by the Chinese authorities to put a stop to Chinese encroachment on the tribal pasture lands had, it appeared, been very imperfectly honoured, and the discontent of the tribesmen remained unabated. The agents of Japanese policy in North China were not slow to seize the opening. Prince Teh, the leader of the autonomy movement, who had already been induced to move the seat of the Council into Japanese-controlled territory and was reported to have received gifts of aeroplanes and other military equipment, was instigated to revolt against the Suiyuan Provincial Government. When, after a period of apparent submission to Japanese influence, Prince Teh eventually held back—his change of attitude being partly due to the anger aroused among his own people by the drastic measures taken by the 'Manchukuo' Government against their fellow Mongols in Hsingan to which reference is made below[2]—another protagonist was found in Li Shou-hsin, a Mongol General who had formerly served under General Tan Yu-lin when the latter was Governor of Jehol before the Japanese occupation. After leading a force of Mongol-'Manchukuoan' troops into the western districts of Chahar towards the end of 1935, General Li had established his military headquarters at Changpei, an important strategic point north of Kalgan, and from there he subsequently carried out the invasion of Suiyuan which is recorded later in this chapter.

To what extent this invasion arose out of a spontaneous revolt against the Chinese provincial administration, under whose oppres-

[1] The *Survey for 1933*, pp. 464–6.

[2] See p. 936.

sive methods of government and ruthless policy of land expropriation the nomadic Mongols had for many years suffered, and to what extent it was due to Japanese machinations, the outside observer had but slight means to determine. The Tokyo Foreign Office repudiated the suggestion of Japanese participation in the movement; in a *communiqué* issued on the 21st November they stated that 'Japan always regards the situation in the regions bordering on Manchukuo with interest, but she has nothing to do with the present clash'. The spokesmen of the Kwantung Army, on the other hand, represented the conflict in Suiyuan as a struggle against Communism, the purpose of the revolt being to set up a bulwark against the infiltration of Communist influences from neighbouring territories; as such it called, they declared, for Japanese intervention in support of the anti-Communist movement. According to the evidence of foreign observers, moreover, Li Shou-hsin, when he invaded Suiyuan, was assisted by Japanese officers and Japanese aeroplanes and tanks, and the attacking forces included regular 'Manchukuo' troops. Whatever the share of the Kwantung Army may have been in launching the revolt in the first instance, they undoubtedly gave it their support as being a convenient instrument for carrying forward a stage further to the westward the new 'Great Wall' which they were in process of erecting between China and Outer Mongolia. In regard to their claim that the insurgents were fighting to ward off Communism, it was difficult to judge how far the fear of falling under a Soviet régime similar to that which prevailed in Outer Mongolia actuated the Mongols who took part, but account must be taken of the fact that in the spring of 1936 Suiyuan was being threatened with an invasion of Chinese Communists. Over 20,000 men of the Red Army were reported to have passed from Shensi into Shansi by March and to be approaching the borders of Suiyuan. It was about this time also that the Chinese Communist leaders sent out a circular message, addressed to the Chinese Government, Army and People, in which they pleaded for a united front against Japan and offered the co-operation of the Red Army.

The circumstances of the revolt itself can be told briefly. An incursion of Mongol bands across the Chahar–Suiyuan border in the first few weeks of the year and the occupation of several points along the Peiping–Suiyuan Railway was followed by the declaration of an 'autonomous Mongol state', to be set up at Changpei, and to comprise twelve of the Mongol banners whose territory lay on either side of the border. The Chinese authorities countered by establishing yet another 'autonomous Council' at Ejenhoro (Horogha), the

reputed burial-place of Genghis Khan. This new Council was intended to take the place of the Pailingmiao Council, with Prince Teh at its head, which had been set up in 1933, but which had, as has already been mentioned, migrated into the Japanese zone of influence.

Further raids into Suiyuan Province took place in July and August, but it was not till November that Li Shou-hsin attacked on a large scale at the head of a force of some 30,000 Mongols and 'Manchukuo' troops. His objective was stated to be to obtain possession of the western section of the Peiping–Suiyuan Railway, and, having done so, to bring into existence an independent state into which would be drawn all the Mongols of Inner Mongolia outside the boundaries of 'Manchukuo', thus forming a solid bloc of Mongols under the aegis of Japan as a counter-weight to the Russian-controlled bloc in Outer Mongolia. In the face of this attack the Suiyuan Mongols rallied to the side of the Chinese Provincial Government and, with their support and that of Central Government troops, General Fu Tso-yi was able to defeat the insurgent forces in a sanguinary engagement in the third week in November. Pailingmiao, which had fallen into insurgent hands, was recaptured, and General Fu advanced eighty miles farther eastward and threatened to push on over the border into Chahar. This threat evoked an explicit warning from the Kwantung Army Command against the entry of Chinese troops into Chahar territory, whereupon General Fu called a halt, content with having regained control of the whole of his own province. The revolt, which ended thus in fiasco, had its most important effect outside the actual area of conflict in that it served to stiffen the national feeling in China and thereby—as will be shown later in this chapter—helped to wreck the negotiations which were being conducted at the time in Nanking for a general settlement of the issues between Japan and China.

These negotiations, to which attention must now be turned, were first taken up from the Japanese side when Mr. Arita—who was later to become Foreign Minister in Tokyo—arrived in China as Japanese Ambassador at the end of February 1936. The new Ambassador let it be known that he came to China with the hope of effecting 'a fundamental solution of outstanding issues', and in liberal circles in Japan his appointment was hailed as presaging a return to normal diplomatic methods of handling affairs between the two countries. Soon after his arrival Mr. Arita initiated a series of conversations with General Chang Chun, the Chinese Foreign Minister. These conversations came, however, to an early deadlock over a difference on a matter of principle which had a decisive effect on the course of

relations from that time forward till the end of the year. The Japanese Government had a number of specific questions, largely economic in character, on which they desired to come to terms, and they wished to negotiate an agreement with China which would provide for a comprehensive settlement of an economic nature and at the same time establish the basis of a 'common front' against Communism. The Chinese attitude, which was becoming more and more clearly defined in negotiating with Japan, was that a political settlement must be brought about before economic questions could be dealt with. Accordingly General Chang's reply to Mr. Arita was to the effect that, before anything else could be done, China must have restored to her the administrative rights of which she had been robbed in North China. In other words the Japanese militarists must cease their political bludgeonings in the North if there was to be any talk of a general *rapprochement*. This was demanding more than the representative of Japan was in a position to accept; so the conversations languished and finally came to an end with Mr. Arita's transfer to the Tokyo Foreign Office, which took place in April.

Early in July he was succeeded by a new Ambassador, Mr. Kawagoe, who had formerly been Consul-General at Tientsin and had played a considerable part in the dealings between the Japanese militarists and the Chinese authorities in Peiping. At the time of his arrival in China the situation in South China was approaching a crisis and was monopolizing the attention of the Nanking officials. Mr. Kawagoe, who was reported to have stated before leaving Tokyo that 'the best and simplest way to readjust Sino-Japanese relations would be to extend economic assistance to North China', took the opportunity to pay a flying visit to Peiping, where he took a hand in the negotiations which, as already mentioned, were in progress with General Sung Che-yuan concerning 'economic co-operation' in North China. He was reported to have come to an arrangement on several points, and this fresh demonstration of Japanese influence in the internal affairs of China proved to be the spark which set fire to the train which, in the course of the next three months, produced a series of explosions (in the form of anti-Japanese outbursts) at widely distant points in Chinese territory. In many places outrages were committed against Japanese life and property, and these changed the whole course of Sino-Japanese relations in the later part of the year.

The first serious incident was the killing of a Japanese in the Hongkew district of Shanghai on the 10th July. This was followed six weeks later by a still graver affair at Chengtu, the capital of

Szechuan. The city being in a state of excitement over an official Japanese demand for the reopening of the Japanese Consulate-General, which had been closed after the trouble of 1932, an *émeute* took place and the mob attacked and killed two Japanese journalists who were staying in a hotel. This took place in the third week of August, and in the following month there were murders of Japanese at Pakhoi in the south, at Hankow on the middle Yangtse, and once again at Shanghai. The series of outrages culminated in the shooting of three Japanese sailors in the streets of Hongkew on the 23rd September.

In a review of the Japanese Government's action given by the Japanese Foreign Office spokesman on the 10th December, after the breaking off of the Nanking negotiations, Mr. Amau, referring to the outcome of these outrages, said:

> It was thought necessary to take fundamental measures for future guarantees, and we demanded therefore that the Nanking Government should take steps in earnest for the control of anti-Japanese agitation and show their sincerity towards the improvement of Sino-Japanese relations by settling long-pending questions.

Subsequently the Japanese Minister, in the course of an address on foreign policy delivered in the Diet on the 21st January, 1937, put the facts more explicitly.

> We desired [he said] that the Nanking Government, instead of stopping short at the negative policy of merely controlling the anti-Japanese movement, should go a step farther and alter their own attitude toward Japan, which was one of the chief causes of anti-Japanese agitations; and we urged upon that Government to prove their sincerity on various concrete issues having to do with the rehabilitation of Sino-Japanese relations.

As these statements indicated, the anti-Japanese incidents of the summer of 1936 provided the Japanese Government with the occasion for redefining their demands on China. This was done in a series of interviews in Nanking between the Japanese Consul-General—later replaced by the Ambassador—and the Chinese Foreign Office. No official list of the demands was made public, but they were understood to include the following points. With regard to the incidents themselves, the Chinese Government were asked to assume responsibility for anti-Japanese activities on the part of the Kuomintang or of any other organization, to suppress agitation against Japan, and to guard against its recurrence by controlling the press, revising school text-books, with a view to eliminating anti-Japanese propaganda, and by allowing Japanese inspectors to visit the schools.

The Chinese Government were to take steps to control the activities of Korean revolutionaries using China as their base. They were also to accept Japanese advisers. In the economic sphere the Chinese Government were required to revise the Customs tariff and to authorize the establishment of a China–Japan air service operating between Shanghai and Fukuoka. With these specific demands there were coupled, as it was subsequently revealed, two *desiderata* of a more general and very far-reaching character, which represented in Chinese eyes the principal rock of offence. The first of these was 'joint defence' against Communism, and for its practical carrying out it was required that Japanese troops should be brigaded with Chinese; the second was recognition of Japan's 'special position' in North China. It was not clear to outside observers whether by 'special position' the Japanese meant the position which they had in fact enjoyed since the creation of the Hopei–Chahar Political Council in the previous December or whether they were asking for more. It was reported, though not authoritatively confirmed, that the Japanese representatives revived the suggestion for a five-province autonomous area to include also Shantung, Shansi and Suiyuan.[1]

The Chinese Government, faced with these demands, put forward counter-demands, the most important of which were the restriction of activities of the Japanese and Korean smugglers in North China, the abolition of the East Hopei autonomous area, the annulment of the Tangku Truce agreement and of the arrangements for a demilitarized zone around Shanghai, which had been created after the 'Shanghai War' of 1932, and the withdrawal of Japanese troops from North China.

While these negotiations were in progress in Nanking, an im-

[1] In an explanation of Japanese demands in China which he 'offered with reserve', the Tokyo Correspondent of *The Times*, on the 5th October, 1936, defined Japan's 'special interests in North China' in the following terms:

> It is claimed that North China occupies a special position owing to its geographical situation in regard to Manchukuo and Mongolia, and that it has been the breeding-place of intrigues against Manchukuo, inspired by die-hards like Generals Fêng Yü-hsiang and Chang Hsüeh-liang and supported by the Soviet Government. The Japanese Army consider it an advance post in the defence of Manchukuo, and it plays a principal part in the co-operation against Communism which Japan proposes. If Nanking accepts the special position of North China, some flexibility can be allowed in the negotiation of details. Among these have been mentioned the establishment of Japanese military posts in Chahar and Suiyuan, the construction of railways, harbours, and aerodromes, the organization of an air service between Japan and North China, and the appointment of Japanese advisers in administration.

mediate threat of hostilities developed at Shanghai and on the lower Yangtse as the result of the tension created by the rapid succession of anti-Japanese incidents. On several occasions Japanese marines were landed in Hongkew, and when, after the attack on the Japanese sailors on the 23rd September, barricades were erected and Japanese troops were set to patrol streets, masses of the Chinese inhabitants abandoned the district in panic amid serious fears of a repetition of the 'Shanghai War' of 1932. Japanese naval reinforcements were at the same time sent up the river, and there were rumours of the impending evacuation of foreign residents from the river ports. The crisis was happily tided over without any serious outbreak, and when at the end of September General Chiang Kai-shek returned from establishing the Government's authority in the south-western provinces, and a meeting was arranged between him and Mr. Kawagoe, the prospect for clearing the ground of some of the outstanding issues again began to look hopeful.

On the 9th October the long-delayed meeting took place between the Chinese President and the Japanese Ambassador. Their discussion dealt, it was understood, with questions of broad principles only. Although no announcement was made as to any agreement having been reached, the result of the meeting—which was followed by a statement by Mr. Kawagoe that he had been 'deeply impressed with General Chiang's sincerity'—was a visible *détente* in the strained state of relations. The outlook was further improved by reports from Tokyo indicating that the Japanese Government were in the mood to compromise and were ready to make concessions on such points in the Chinese demands as the liquidation of 'East Hopei' and the control of smuggling.

Conversations with the Nanking Foreign Office were resumed under these more hopeful conditions. Although they were to end eventually in failure, they proved that, given a favourable environment, the diplomatic handling of current issues between China and Japan was not incapable of achieving results. How near the parties came to a settlement before they drifted apart again some weeks later had to be judged in the light of statements which their respective Foreign Offices issued after the collapse of the negotiations.

According to the Japanese statement, given on the 10th December, 1936, agreement had been reached in regard to measures for suppressing and guarding against anti-Japanese agitation, and in regard to most of the Japanese demands concerning the action to be taken in settlement of the various incidents in which injury had been done to Japanese lives, property or prestige. An 'agreement of views'

had also been brought about concerning three more points in the Japanese programme, namely revision of the Customs tariff, the employment of Japanese advisers by the Chinese Government, and the exercise by the latter of effective control over Korean revolutionaries. After recording that 'some hitch was experienced' in regard to the question of an air service between China and Japan, the statement referred to the two most crucial Japanese demands, that for joint defence against Communism and that for recognition of Japanese special interests in North China. With regard to the former of these the Japanese statement admitted that 'no general agreement was reached', while in respect to the latter it went no farther than to say that, 'as to the North China question, it was agreed in principle to promote the economic development of that region through the co-operation of the two countries'.

In a statement of the same date which was issued in Nanking the Chinese Foreign Office reviewed the several points which had been brought forward by the Japanese plenipotentiary and indicated the nature of the Chinese replies to the Japanese demands. Although the statement did not allow that agreement had been reached on any of the outstanding issues, it warranted the inference that there had been a willingness on the part of the Chinese Government to come to terms on some at least of the Japanese *desiderata*. Concerning the prevention of anti-Japanese agitation the Chinese Government had, it was stated, promised to continue their efforts, while adding the obvious rejoinder that the cure lay in the hands of Japan herself, who could avoid the agitation by refraining from the actions which gave rise to it. Readiness to consider alterations in the tariff was implied in the answer stated to have been given to Mr. Kawagoe's request for revision, which was that the tariff 'may be adjusted at any time as required by national financial and commercial considerations', with the rider that Japan's own action in the matter of smuggling was obstructing consideration of the question. On the subject of advisers, the Chinese Government had refused to admit the right of another Government to dictate, declaring that they must select their advisers on the grounds not of nationality but of technical qualifications; it had been intimated, however, that it would not be impossible to employ Japanese advisers 'if relations took a turn for the better'. To the demands for the exercise of control over Korean malcontents, General Chang Chun had retorted that China equally had ground for complaint in regard to the uncontrolled lawlessness of Japanese subjects of Formosan, Korean and Japanese nationality in China; similarly, with regard to the proposed air service, he had declared

that the Chinese Government were unready to agree so long as Japanese aircraft continued the practice of making unauthorized flights over Chinese territory. On the larger questions of Communism and of Japan's status in North China the Nanking statement was silent.

Taken together, these two accounts of what the negotiations had led to gave ground for the belief that the gulf between China and Japan had, in fact, been materially narrowed by the beginning of October 1936, and that diplomatic efforts had then nearly succeeded in throwing a bridge across. The wrecking of these efforts was to a large extent due to the 'dual policy' of Japan, which permitted her militarists in the North to nullify the work of the diplomats in Nanking by stimulating revolt in Mongolia—a fact which in their *communiqué* the Japanese Foreign Office made no attempt to hide, but rather took pains to emphasize.

This intervention by the Japanese military forces in the struggle in Suiyuan was the chief reason which the Chinese Foreign Minister gave for his action in breaking off negotiations in the first week in December. It was not, however, the sole cause of the breakdown, for during the two preceding months other developments had occurred which served to strengthen Chinese resistance to Japanese demands. After his meeting with Mr. Kawagoe on the 9th October, General Chiang Kai-shek went to Hankow for a conference with the Governors of Hopei, Shansi and Shantung, who, according to the reports which appeared in the press, took the opportunity to reaffirm their loyalty to Nanking and to assure the Prime Minister of their united determination to oppose any revival of the attempt to create a five-province autonomous area in North China. General Chiang then proceeded on a flying tour of the northern centres, in the course of which he visited Tsinan and the capital cities of Shansi and Shensi. At Sianfu he met General Chang Hsüeh-liang. Chang—whose troops were already giving signs of the restiveness which led to the *coup* of the following month, when General Chiang, on his next visit to Sianfu, was seized and held captive—represented to his superior the feeling which prevailed among the troops and among the people of the province against the conciliatory attitude of the Central Government towards Japan. General Chiang's reaction to this was shown in a public statement which he issued from Sianfu and in which he pledged himself to work for the restoration of China's administrative integrity in North China and for the suppression of the 'bandits' in Chahar and Suiyuan, adding that the Chinese Government in their dealings with Japan would 'observe a necessary limit'.

Meanwhile affairs in Suiyuan grew worse, and a definite stiffening of the Chinese Government's attitude became observable. Protests relating to 'incidents', which before had come with such frequency from the Japanese side, began to flow in the reverse direction. Among other subjects of protest, the Chinese Government objected to the Kwantung Army's manœuvres in North China.[1] The final stage was reached when Japanese marines were landed at Tsingtao to assist in suppressing a riot which had arisen in connexion with a lock-out in some Japanese-owned mills. When, on the 2nd December, the Japanese Consul-General in Nanking asked the Foreign Office to resume the *pourparlers* which had been for some time in abeyance, the reply was that the Chinese Government were not prepared to move any farther in the matter pending the result of protests which were being prepared on the subject of the Tsingtao affair and the participation of Japanese in the troubles in Suiyuan.

On the 5th December the Japanese Ambassador recorded the heads of agreement which, he alleged, had already been reached, in a note which was delivered to the Chinese Foreign Office, but which the latter refused to receive. After a brisk game of shuttlecock, in which the offending note was propelled backward and forward between the Foreign Office and the Embassy, neither of which would allow it to come to rest, Mr. Kawagoe left for Tokyo. Five days later his Government issued the *communiqué*, already referred to above, which contained their *ex parte* statement of the results of the three months' negotiations. The *communiqué* concluded with the warning that, if the Chinese Government failed to take effective steps to control anti-Japanese movements, and if Japanese lives and property were jeopardized or Japanese rights and interests violated, Japan would take adequate measures to cope with the situation. The danger of drastic action of this sort was relieved by a settlement, which took place on the 30th December, of two of the most serious of the incidents of the year—the murders of Japanese at Chengtu and Pakhoi. In connexion with the first of these cases it was understood that the Chinese Government consented in principle to the reopening of the Japanese Consulate-General, the demand for which had given rise to the incident.

The moderating effect upon Japanese policy in China of China's increased powers of resistance to pressure—the result of a heightened national *moral*, extended Central Government control, financial progress, and improved military equipment (particularly in the

[1] This question will be discussed again in the *Survey for 1937* apropos of the Wangping incident of July 1937.

matter of aircraft)—showed itself in the readier employment of diplomatic, in contrast to military, methods in the period under review and in the obvious desire of large sections of Japanese opinion to attain the objects of policy by amicable agreement rather than by force. The failure to achieve results in China became, as has been mentioned in the chapter dealing with Japan's internal affairs, one of the principal points in the attack launched against Mr. Hirota's Government at the beginning of the next year. Criticism was directed against the 'dualism' of Japanese policy, and the interference of the military in North China was strongly deprecated. After the change of Government in February 1937 the new Foreign Minister announced his intention to work for the placing of Sino-Japanese relations on a fresh and more friendly footing. At the time it was, therefore, possible to conclude that, as Dr. Hu Shih, the famous Chinese philosopher, maintained, the change which was coming about in the Far Eastern balance of power was a factor favouring peace.

(vi) Japan and Communism

(*a*) Introductory

In 1936 the clash of rival political systems was as important a feature of international relations in the Far East as it was in Europe, antagonism to Communism being as important a factor in the foreign policy of Japan as in that of Germany. In spite of the prominent part which Japan played in the inter-Ally Siberian expedition of 1918–22, she had, during the first decade after the Russian Revolution, shown less concern with the dangers of Russian revolutionary propaganda and subversive action abroad than had several of the democratic countries which were much farther removed from possible sources of infection. Indeed in 1925, when the Communist danger was looming large to European eyes, when the U.S.S.R. was still ranked generally as an outcast, when Communist influence was at its height in China and when no 'Manchukuo' existed to serve as a buffer between Japan and Russia, the Japanese Government had made a treaty with Moscow re-establishing friendly relations;[1] and the first Soviet envoy to Japan had been warmly received on his arrival in that country.

To account for the change of attitude which afterwards took place there are certain facts to consider. In the first place the governing power in Japan, which had in 1925 been in the hands of comparatively liberal statesmen, had passed in the meanwhile largely into

[1] See the *Survey for 1925*, vol. ii, pp. 346–50.

the control of a military class composed of men who were intensely nationalistic and to whom the Communist theory of the state was anathema. Under their influence and guidance Japan had assumed for herself a 'mission' in the Far East. This not only implied a demand to be treated as the 'sole stabilising force' in that part of the world; it also meant that Japan saw herself as the divinely appointed promulgator of a particular type of political and cultural ideas. In the fulfilment of this rôle she found herself faced with the formidable competition of Communist doctrines spreading among the Chinese and Mongolian peoples, whom she wished to bring under her influence. Finally Russia herself, the personification of Communism, had grown from a harmlessly weak neighbour to a powerful military rival whose power imposed restrictions upon Japanese expansionist aims that were intolerable to the Japanese militarists.

Accordingly the rulers of Japan—who had been successful, so far as appearances went, in dealing with Communism as a *domestic* problem by means of drastic suppression and by diverting agrarian discontent into other political channels—had come to regard the spread of Communism on the East Asiatic mainland as Japan's principal *external* danger; and there is no question but that the repulse of this danger was the motive underlying a very large part of Japan's actions in Manchuria and North China from 1932 onwards. Co-operation against Communism had from the start been among the demands most vigorously pressed upon the Chinese Government; and when, after the breaking up of the Chinese Communist bloc in Kiangsi in 1935 and the dispersal of the 'Red' forces, there was a strong reinforcement of the Communist centres in the north-west of China in close proximity to Japan's projected line of advance, this served to increase Japanese apprehensions.

Such was the background, on the Japanese side of the picture, to the German-Japanese anti-Communist agreement of November 1936 which forms the subject of the following section of this chapter. The third section is devoted to an account of general developments during 1936 in the relations between Japan and the U.S.S.R.

(*b*) The German-Japanese anti-Communist Agreement

In the early days of the National-Socialist régime in Germany there were already signs, as was recorded in the *Survey for 1934*,[1] of a *rapprochement* between Germany and Japan, who had a natural bond of union in their common feeling of political isolation and their common fear and hatred of Bolshevism. From that time onwards

[1] See p. 667.

rumours had multiplied of a secret understanding between the two countries; and on the 25th November, 1936, they culminated in the signature in Berlin of an 'anti-Communist agreement' between the German and Japanese Governments. The text of this agreement has been set out, and its European repercussions surveyed, in another part of the present volume.[1] In this place we have to consider only the repercussions in the Far East.

The necessity for a formal agreement to bring into operation a form of collaboration which two Governments with a common interest to serve could so easily have put into practice as an ordinary measure of routine was very far from apparent. As a writer in a Japanese newspaper expressed it, it resembled the behaviour of a man pursuing a fly with a hatchet. The action of the Governments in concluding such an agreement obviously called for explanations. These were forthcoming in statements made by the press bureaux of the two Foreign Offices to newspaper correspondents, but they were not very illuminating. Herr von Ribbentrop's representative merely averred that the German Government had acted 'in the service of European culture and civilization'. The Tokyo Foreign Office spokesman, for his part, was chiefly concerned to demonstrate the extent of the Communist threat which had driven Japan to take action. He declared that the Comintern was openly directing its attention to revolutionary movements in Japan, Germany and Poland, and was supporting the Chinese Communist armies and encouraging disorder in 'Manchukuo'; he further asserted that in Japan itself Communist activities had been increasing of late—a statement for which little support could be found in the publicly known facts and which was controverted in the course of the next few days by at least one commentator in the Japanese press.[2]

The outside world was thus left to find its own interpretation of this new 'ideological pact', and there was a wide range of speculation concerning its real meaning. In the first place a persistent rumour obtained in Paris and London that the published agreement cloaked a secret understanding which included not only a military alliance but also a detailed arrangement for partitioning the isles in the neighbourhood of the Equator in the Pacific Ocean into German and

[1] Part III, section (ii).

[2] The writer of an article in the issue for March 1937 of *Contemporary Japan*, in adducing evidence of recent Comintern activity in Japan, could quote no more impressive examples than the inflow of Communist literature, sent chiefly by Japanese Communists in America, and the rise in the number of members of Japanese 'proletarian bodies with Communist sympathies' from 1,778 in 1934 to 4,326 in 1936.

Japanese spheres.[1] This provoked an official denial in Berlin; and the British Foreign Secretary, when questioned on the subject, announced, as has been mentioned elsewhere,[2] that his Government had no information in support of the suggestion that there were unrevealed provisions in the German-Japanese agreement.

It has also been mentioned in the same context that in Germany the announcement of the agreement excited little enthusiasm. In Japan, where public opinion could express itself with greater freedom than in Germany, most of the comment on the Government's action was definitely critical. In statements by the leaders of the political parties the agreement was, it is true, hailed as 'a contribution to world peace', but with the qualification that it would prove a bad thing for the country if it resulted in a movement towards Nazi ideas. The newspapers, and, at a later date, deputies in the Diet, accused the Government of clumsy diplomacy in concluding an agreement with so little apparent purpose, and they also criticized them for doing so in a way which had created unnecessary friction with the U.S.S.R. and which was likely to hinder efforts to improve relations with Great Britain, the United States and China.

As already mentioned, the Japanese Government—if the account issued from Moscow of what occurred on the 17th November was correct—had made an ingenuous attempt to disarm Russian suspicion before the agreement was actually signed. The assurance that Japan's agreement with Germany would leave her relations with the U.S.S.R. unaffected was very naturally scorned, and it provoked the reply, given through the Russian Ambassador in Tokyo, that it was unintelligible that Japan and Germany should need the use of each other's police in combating Communism in their respective countries, and that the agreement was likely seriously to prejudice Soviet-Japanese relations. When the agreement was published, the Russian newspapers were insistent that it was merely a screen for a secret military agreement against Russia and other countries, and Monsieur Litvinov's public endorsement of this charge, in a speech delivered

[1] According to one version of this report which was cabled to *The New York Times* by its correspondent in London, who described it as being based on 'reliable information', the effect of the reputed partition was to leave Japan in unchallenged possession of the ex-German territories for which she held a Mandate and to place Sumatra and Java in a German zone of influence subject to the safeguarding of the market for textiles which Japan enjoyed in those islands. Another report quoted in *L'Œuvre* alleged that Borneo had been recognized as falling within the Japanese zone. In rebutting these and similar reports the German press attributed their origin to an attempt by the U.S.S.R. to wreck the new agreement.

[2] See p. 385 above.

in Moscow on the 28th November, has been quoted in this volume in another context.[1]

The Japanese Foreign Minister showed his anxiety to soothe Russian fears and to remove suspicion in democratic countries by giving repeated and earnest public denials of the intention of his Government to associate themselves with a Fascist bloc. 'Rumours that it [the agreement] is directed against any special country, or that Japan intends to join any group opposed to democratic countries, are', he declared, 'deliberate misrepresentations.'[2] When it became known that the Soviet Government were refusing to ratify the new Fisheries Treaty with Japan,[3] Mr. Arita, according to information cabled to *The New York Times* by its correspondent in Tokyo,[4] instructed the Japanese Ambassador in Moscow to explain 'the true nature' of the agreement. The form which these explanations took was not communicated to the public, but in responsible Japanese circles it was rumoured that the Ambassador was directed to intimate that the responsibility for the making of the agreement lay not with the Japanese Foreign Office, but with the Army authorities in direct negotiation with the German Chancellor's personal entourage. That this had actually been the case appeared to be not improbable, especially if credence could be given to the explanation current in Tokyo that the Japanese Army authorities had been influenced by the desire to obtain technical assistance in military matters from Germany, and that the price for this which the German authorities had demanded was Japan's entry into an anti-Communist league.

Meanwhile the Japanese newspapers were placing their own interpretations upon the agreement, and some of these were in terms which could not but be highly embarrassing to Mr. Arita's efforts to persuade the Soviet Government that the agreement was innocuous. To quote two of the leading papers, the *Asahi* described the agreement as 'a German-Japanese operation against the U.S.S.R.', while the *Nichi Nichi* expressed the view that its purpose was 'to encircle Russia'. This further antagonizing of the U.S.S.R. at a time when relations were once again showing a promise of improvement was by no means favourably received by Japanese public opinion as a whole, and the signing of the agreement marked the beginning of a campaign of domestic criticism of Japanese foreign policy. This grew in intensity till it culminated in the almost open challenge,

[1] See pp. 388–9 above.

[2] A parallel assurance was given to the Chinese Ambassador in Berlin by the German Secretary of State, who declared that the agreement was in no way directed against China.

[3] See below, p. 932.

[4] See *The New York Times*, 13th December, 1936.

described in an earlier chapter, which the Diet addressed to the Government on foreign and financial affairs early in the succeeding year and which led to a change of Government and, eventually, to the dissolution of the Chamber. The grounds of criticism were not confined to the jeopardizing of relations with Russia. The Foreign Secretary was also called to account for failing to placate British opinion, which had shown itself so unfavourable to the agreement. In this connexion attempts were made to justify the agreement to Japanese public opinion by representing that the conversations with Germany were initiated only after the failure of attempts to establish closer relations with the British Government in the earlier part of the year.[1] Finally the Government were attacked on the ground that the agreement with Germany had been made at a time when there were hopes of reaching a better understanding with the Government in Nanking, and had contributed to the ruin of these hopes.

(c) Relations between Japan and the U.S.S.R.

The record of Sino-Japanese relations which has been presented in an earlier chapter shows how the military clique in Japan frustrated the efforts of the Japanese diplomats to bring about a settlement of outstanding causes of dispute. To the extent to which this same military clique were the real authors of the German-Japanese anti-Communist agreement, they could rightly be held responsible also for the *sabotage* of a Russo-Japanese *rapprochement*. On the part of the civilian element in Japan there was, on the other hand, definite evidence of a desire to ease the tension between Russia and Japan which had been raised to so high a pitch by the series of armed

[1] This view was categorically expressed in a leading article in the *Asahi* of the 1st March, 1937, in which the following sentences occurred:

> The German-Japanese Anti-Comintern Agreement, far from removing the likelihood of a clash between Russia and Japan, merely affords both nations an opportunity of strengthening their warlike preparations.
>
> By reason of its failure to promote Anglo-Japanese friendship the Japanese Government had no alternative but to conclude the Agreement. It was not the Agreement which made Anglo-Japanese friendship impracticable, but rather the failure of Britain to extend the hand of friendship towards Japan, since she knew she had nothing to gain by doing so, which brought the Agreement into being.
>
> Britain regards Japan as a more formidable enemy in the Far East than the U.S.A. or the Soviet, and, though aware that the Soviet is bound to become her enemy in China sooner or later, prefers for the time being Soviet good-will to Japanese friendship, aims at bringing a concerted pressure of herself, the U.S.A. and the Soviet to bear upon and restrain Japan, and is busy mobilizing American and Russian influences against Japan. Her attitude is to some extent influenced by the loss which she has incurred as a result of Japan's trade expansion.

encounters along the 'Manchukuo'-Outer Mongolian frontier in 1935 and in the opening months of the following year.[1] Although the military propagandists persisted in referring to Russia as a standing menace 'glaring across the frontier with the eyes of a tiger' (to quote a typical phrase in one of the many pamphlets distributed by the War Office), the utterances of responsible statesmen and the commentaries of the press were couched in more conciliatory language than had been usual up to that time, and although there were still frequent allusions in political speeches to the menacing size of the Russian frontier forces, these could be largely explained as a part of the campaign in support of the increased military Budget.

As Minister for Foreign Affairs at the beginning of the year, Mr. Hirota (who had served as Ambassador in Moscow when proposals for a non-aggression pact had been first brought forward several years before) showed a disposition to do what was possible to improve diplomatic relations between the two countries. Under his instructions the Ambassador, Mr. Ota, early in the year took up the question of a settlement of outstanding disputes with the Soviet Commissar for Foreign Affairs. A series of promising conversations took place between him and Monsieur Litvinov, which led to such an improvement in the atmosphere as to make possible the discussion of an exchange of visits between Marshal Voroshilov, the Soviet Commissar for Defence, and General Terauchi, the Japanese Minister for War. Even the Japanese Higher Command contributed to the appeasement of public opinion when, for instance, the Vice-Chief of Staff of the Japanese Army (who had previously commanded the Japanese troops in 'Manchukuo') declared that in his opinion war between Japan and the U.S.S.R. had become impossible. When Mr. Arita succeeded Mr. Hirota as Minister for Foreign Affairs he followed the same trend by referring publicly to the 'imperative necessity' of adjusting Russo-Japanese relations. At the same time the Japanese press, which had for several years past been violently anti-Russian, now began to change its tone, and the *Asahi* newspaper openly discussed the advantages of a non-aggression pact such as for several years past the Soviet Government had repeatedly proposed and the Japanese Government as regularly rejected.

This apparent growth of a body of opinion in Japan in favour of a re-orientation of policy towards Russia came, however, too late. The Soviet Government now had their forces strongly entrenched in the Trans-Baikal region; the construction of the new Baikal-Amur

[1] See the *Survey for 1935*, vol. i, pp. 334–5.

Railway, which was their essential line of communication, was already far advanced, and arrangements had been completed which would give the Union a free hand in Outer Mongolia in the event of a threat of war.[1] In these altered circumstances the Soviet Government were no longer tied to the 'peace-at-any-price' policy which had largely governed their relations with Japan in the early period after Japan's acquisition of Manchuria. Although they might be—and almost certainly were—unready to push disputes with Japan to the point of risk of war, they had now strengthened their strategic position to a point at which it gave them some room for manœuvre in the diplomatic field, and they could therefore assert their point of view with much more vigour than they had previously dared to show.

Their readiness to do so was revealed when border incidents on the Manchurian frontier, of the kind which had been the cause of such constant friction for several years past, recurred early in 1936. At the end of January a company of 'Manchukuoan' troops mutinied and were pursued by a loyal force to—and, as the Soviet authorities alleged, across—the Siberian frontier. Fighting followed, and this involved—again according to the Russian account of the affair—the death of some men of the Red Army. The incident provoked strong diplomatic protests, and the situation became for the moment so tense that preparations were made for the withdrawal from Manchurian territory of all Soviet citizens. At about the same time the Soviet Government closed their Consulate-General at Mukden and threatened to suspend railway communications across the frontier.

Prior to this negotiations had been once again started with a view to the setting up of machinery to deal with frontier incidents, and, where necessary, to delimit and demarcate the frontier, and in April the two Governments had reached an understanding in principle to establish joint commissions to deal with the easternmost section of the frontier lying between Lake Khanka and the borders of Korea. So much disagreement arose, however, over the details of the arrangement that the year came to an end before any practical progress could be made.

It was over the fisheries question that the Soviet Government showed most clearly the self-confidence which they now felt in dealing with matters in dispute between themselves and the Japanese Government. The situation as it existed at the end of 1934 is described in the *Survey* for that year.[2] The agreement of 1928 which governed the Japanese rights in regard to the leasing of fishing-

[1] See below, p. 934.

[2] See pp. 673–4.

grounds,[1] together with the supplementary agreement of 1932 by which the earlier treaty had been modified, was due to expire at the end of eight years and five days from the date of its signature, that is to say on the 31st May, 1936. Negotiations for its renewal, in a revised form, had begun in the spring of 1935, but had failed to materialize when the date of expiry arrived, and a provisional agreement was signed to extend the validity of the 1932 agreement till the end of the year in anticipation of a comprehensive and more permanent settlement. The attempt to reach such a settlement was continued, and it was announced in the first days of November 1936 that an understanding had resulted, and that a draft agreement to regulate the position for a period of years had been drawn up for signature. The terms were not made public, but they were understood to provide for the renewal for eight years (Japan had been insisting on twelve) of the main stipulations of the earlier agreements. The new agreement was stated to provide also for co-operation between the authorities of the two countries in fish-conservancy measures.

The agreement was ready for ratification when the conclusion of the German-Japanese anti-Communist agreement was announced. Thereupon the Soviet Government allowed it to be understood that they did not intend to proceed to the final step; and, in spite of continual pressure from the Japanese Ambassador, ratification was still being withheld when the end of the year approached, bringing with it the expiry date of the existing agreements. However, at the last moment, on the 28th December, the Soviet Government conceded a further extension for one year of the earlier agreements in order to provide a *modus vivendi*.[2] The fact that the German-

[1] These were rights which the Japanese claimed to possess inalienably under the Peace Treaty of Portsmouth, while the Soviet Government, who refused to acknowledge a treaty which had been made by the old Imperial Government, took the stand that Japanese rights rested on no more formal foundation than that of a friendly arrangement.

[2] It may be observed that Japanese fishing activities, which at intervals over a number of years had involved Japan and Russia in an acrimonious quarrel, now showed signs of becoming a serious cause of friction between Japan and other countries bordering the Pacific. The importance of the Japanese fishing industry, which was conducted primarily to provide food for home consumption in the form of dried fish, but which was steadily developing the business of canning for export, may be realized from the facts that of the total of the world's fishing-fleets Japan was reckoned at this time to account for approximately one-third, and that she netted about one-quarter of the aggregate world 'catch'. Moreover, one and a half million of the Japanese population was employed wholly, or in part, in the industry. The threatened depletion of the Siberian coast fishing-grounds owing to intensified operations by the Russian and Japanese fleets was inducing the Japanese fishing interests to turn their attention increasingly to the American shores of the Pacific.

Japanese agreement was thus directly responsible for postponing, if not preventing, the removal of a chronic occasion of dispute between Japan and the U.S.S.R. was made the more conspicuous by the contrast between the fate of the fisheries negotiations and those for the settlement of the Sakhalin oil-fields leases,[1] which were successfully concluded in October just before the anti-Communist agreement was concluded.

In 1935 the focal point of Russo-Japanese relations had lain geographically in Outer Mongolia, where Japan was endeavouring to break down the Russian monopoly of control over the political fortunes of the young socialist republic. The *Survey* for that year[2] carried the record of events down to the time in April 1936 when, after the failure of attempts to remedy, by means of a conference, the state of virtual war which had persisted during most of the previous year along the Mongol-Manchurian frontier, an open warning had been given by the General Secretary of the Communist Party in the U.S.S.R. that Russian forces would defend Outer Mongolia against any attempt by Japan to destroy its independence.

An important, if not the chief, cause of the collapse of the efforts to alleviate the situation was Japan's refusal to play the part of a principal in any negotiations for the settlement of frontier questions

Japanese fishing-fleets had long been active on the British Columbian and Californian coasts, and Japanese factories had acquired a major share in the salmon-canning industry in British Columbia. Since 1930 Japanese ships had fished off the coast of Alaska, the source of eighty per cent. of the salmon supplies of the United States, and in the spring of 1936 the Japanese Government instituted a three-year investigation into the possibility of arranging for salmon-fishing operations on the large-scale 'mother-ship' system along the Alaskan coast. The danger of the exhaustion of supplies, particularly of salmon and halibut, through the unrestricted operation of up-to-date Japanese floating canneries and the use of trawls as much as three miles in length just outside preserved territorial waters was in 1936 causing very serious concern to the Canadian and United States fishing interests, the more so because Japan was not a party to the various international agreements designed to safeguard supplies. The International Fisheries (Halibut) Commission was understood to have warned the Canadian and United States Governments that indiscriminate fishing by Japanese fishing-boats outside the three-mile limit would endanger the whole system of halibut conservation which had been established by the Halibut Treaty concluded in 1924 between the United States and Canada.

In California, and in many places in the South Seas, the activities of Japanese fishing-fleets were simultaneously exciting ill feeling through the monopolization of local fishing industries and through the suspicions, widely held however groundless they might in fact be, that Japanese fishing-boats were employed for espionage, and that they were the forerunners of economic penetration on a wider and more dangerous scale.

[1] See the *Survey for 1925*, vol. ii, p. 348; the *Survey for 1926*, p. 393.

[2] The *Survey for 1935*, vol. i, Part II, section (v).

affecting Outer Mongolia and 'Manchukuo'. The refusal was based on the ill-defined nature of the political status of Outer Mongolia, whose relations with the U.S.S.R. were, as the Japanese authorities affirmed, so uncertain that it was impossible to know with whom a negotiator was dealing. On the 8th April, five weeks after the interview with an American journalist in which Monsieur Stalin had delivered himself of the warning mentioned above, an announcement was made in Moscow which went far to clear up the very uncertainty of which the Japanese Government had complained. The announcement made public the terms of a Protocol of Mutual Assistance which, it was revealed, had been signed on the 12th March at Ulan Bator by representatives of the Mongolian People's Republic and of the U.S.S.R. By this agreement the signatory states undertook, first, in the event of a threat of aggression by a third state to consult together and 'to take all necessary measures to safeguard the security of their territories';[1] and, second, to give each other every assistance, including military aid, in the event of aggression; a third clause provided that troops sent for this purpose were to be withdrawn when the emergency had passed. Before the official publication, some intimation of the existence of the agreement had been given in a message from Ulan Bator published in the *Izvestia* on the 28th March in which it was reported that the Little Khural (the Mongolian parliament) had approved an agreement with the U.S.S.R. for mutual assistance; furthermore on the 1st April Monsieur Stomoniakov, the Assistant Commissar for Foreign Affairs, had, it appeared, notified the Japanese Ambassador in Moscow of the signature of the protocol, informing him that it constituted the formal confirmation of an unwritten understanding between the two countries which dated from the entry of Soviet troops into Urga in 1921 after the Ungern-Sternberg affair.[2] A 'gentleman's agreement' for mutual assistance had, it was now confirmed, been in existence for the previous sixteen months, a reference to this informal agreement, which was stated to have been made on the 27th November, 1934, being actually inserted in the preamble to the new protocol.

The news of the agreement was received in Japan with expressions of indignation; and these were directed not against Russia alone, but also against the Chinese Government, who were somewhat gratui-

[1] This provision, it will be noticed, gave the Russian military authorities virtually a free hand in Mongolia if and when they and the Mongolian Government agreed that an 'emergency' had arisen.

[2] See the *Survey for 1920–3*, pp. 429–30.

tously assumed to have been accessory to the arrangements made between the authorities in Moscow and in Ulan Bator. Except in the minds of the most cynical interpreters of Chinese policy suspicion of Chinese complicity was, however, allayed when on the 7th April the Nanking Government addressed a strong protest to Moscow against the alleged infringement of Chinese sovereignty and the violation of the Sino-Soviet Treaty of the 31st May, 1924.[1]

The reply of the Soviet Government, which was given in a note from Monsieur Litvinov to the Chinese Ambassador on the following day, declared that the protocol 'does not in any degree infringe Chinese sovereignty nor contain any territorial claim on the part of the Soviet Government', and that it 'does not change the existing formal or practical relationship of the U.S.S.R. with China or with the Mongolian People's Republic'. Monsieur Litvinov went farther, and stated that his Government reaffirmed the 1924 treaty, and that that agreement would remain valid in future. The Moscow press meanwhile made no attempt to pretend that the purpose of the pact was anything else than to guard the U.S.S.R. against the possibility of Japanese aggression through Mongolian territory, declaring that the seizure by Japan of Outer Mongolia would be the prelude to an attack on the Trans-Baikal region with the aim of cutting off the Far Eastern territories. It was even suggested in some quarters that a primary object of the Moscow Government in making the agreement was to serve formal notice on Japan of the consequences that would flow from any aggressive action taken against Outer Mongolia.

In regard to Chinese objections to the agreement, it was pointed out in Moscow that, although China might possess sovereign rights in Outer Mongolia, she was as a matter of fact entirely impotent to defend that country against assault, and that the U.S.S.R., by its assumption of this duty, was playing the policeman and thereby conferring a benefit on China herself. Neither these arguments nor Monsieur Litvinov's official assurances served, however, to pacify Chinese feelings, and the Nanking Government repeated their protest on the same grounds as before, in a vain attempt to maintain intact the last dim vestige of suzerainty which, since the declaration of the People's Republic in 1921, was all that remained of China's former effective control over Outer Mongolia.

In the same month in which the outside world was apprised of the existence of this military alliance between the U.S.S.R. and Outer

[1] See the *Survey for 1925*, vol. ii, pp. 334–6. By the 1924 treaty the U.S.S.R. had acknowledged Outer Mongolia to be an integral part of China, and had recognized Chinese authority in that territory.

Mongolia, an event took place in Hsingan, the Mongol province of 'Manchukuo', which showed that the concessions made to the local Mongols in order to assure their loyalty to the Hsinking Government were proving by no means wholly successful. A plot was stated to have been discovered involving several high provincial officials—among them the Mongol Governor himself—who were alleged to have been found to be engaged in a scheme for bringing about, with Russian assistance, a revolt for the purpose of uniting Hsingan to Outer Mongolia. Four officials were arrested, tried and condemned, and shortly afterwards the execution took place of the Governor, Ling Sheng, together with the Chief of Staff of the Hsingan provincial forces.

When the German-Japanese anti-Communist agreement was concluded in November 1936, Japanese spokesmen, as has already been mentioned, denied the suggestion that Japan was allying herself with an 'ideological bloc' or taking part in any 'ideological conflict'. The disclaimer was credible enough in so far as it meant that Japan had no intention of associating herself with a confederacy of Fascist, against democratic, states. It is almost certainly true also that the species of ideological conflict which was more particularly present in German minds, namely a struggle between Fascist and democratic conceptions of the functions of the state, had far less significance for the Japanese people, who were not committed to any such rigid and uncompromising theory of Government as had been adopted in 'the Third Reich'. Nevertheless there existed a sphere, outside the territorial boundaries of their own country, in which the Japanese could be said to be involved, and deeply involved, in an ideological clash.

The collision between Japan and Russia in North-East Asia was no less an impact of cultures and of national philosophies than of material interests. In their expansion on to the mainland the Japanese were actuated not only by a desire to enlarge their territorial empire, but also, as was made clear by much that was being written and said in Japan, by the conviction that Japan had a 'mission' to propagate her cultural ideas among the local populations, and to give the lead in a movement towards a spiritual renaissance of the Asiatic peoples, which implied, incidentally, a reaction against the influences of Western Civilization. In Communism the Japanese saw a rival influence which presented the chief obstacle to the successful accomplishment of these aims.

Behind the frontier engagements, economic disputes and political manœuvrings between Japan and Russia which have been described in

the preceding pages, there was discernible, therefore, a silent struggle for moral supremacy in the territories lying between their borders.

The instinctive conservatism of the Japanese, which showed itself in efforts to prop up the pre-revolutionary social and theocratic structure of the Mongolian peoples, clashed inevitably with the Socialist conception of society which caused Russian influence in Mongolia to be directed to the overthrow of the traditional social order. In the religious sphere, also, the two forces met in violent opposition. Japanese influence was exerted in support of the Lamaist Mahayanian Buddhist Church, while Russian influence was, of course, on the side of secularization.[1]

Careful attention was paid by the Japanese to the sustaining, and the reforming, of the Lamaist Mahayanian Buddhist Church among the Mongols. In the Hsingan province of 'Manchukuo', temples and monasteries were restored and asylum given to the large number of Lamas whom the anti-religious policy adopted in Outer Mongolia had forced into exile. At the same time a movement was on foot to bring Mongol Lamaism into closer alignment with the reformed type of the Mahayanian Buddhist faith as this was practised by the Zen and Nichiren sects, which in recent times had regained strength in Japan. The aims of the Nichiren sect, which possessed in Japan between two and three million adherents, were understood to include, in regard to Mongolia, the establishment of a new and purified form of Lamaism, which was to be brought into existence through the efforts of Japanese religious reformers, and, in regard to China, the promotion of union between the Chinese and Japanese on the basis of the traditions and ethical conceptions which they shared as fellow Buddhists and fellow Orientals.[2] This emphasis on a common spiritual heritage was shown again in the insistence laid upon the principles of 'Wangtao' (i.e. the Confucian concept of the 'Kingly Way') in the government of 'Manchukuo'. Regarding this, the author of the chapter on the administration of that country in *The Japan-Manchoukuo Year Book for 1936* had the following to say:

> Wangtao is the fundamental idea of Confucianism. The great masses of Manchukuo, tired of the imported ideas of Republicanism, Nationalism or Dr. Sun Yat-sen's 'Three People's Principles', which have all proved gross failures in China, quite naturally turned their minds to

[1] It has to be noted, however, that the anti-religious propaganda current in Russia itself was noticeably modified for application to border states inhabited by peoples where religious beliefs and practices, Buddhist or Islamic, constituted an important political force.

[2] The reformer Nichiren, who founded the sect in the thirteenth century, introduced a strong element of nationalism into the Buddhist faith of his day.

their own traditional political ideas inherent in Confucianism. The golden age of such ancient sage-kings as Yao and Shun loomed large and fascinating in their eyes, and the result was the unanimous voice of 30,000,000 people: 'Back to Wangtao'.

In the same connexion the words of Mr. Ching Hsia-hsu, the first Prime Minister of 'Manchukuo', may be quoted. Mr. Ching contrasted Wangtao and Communism in the following terms:

> The most serious menace which confronts us is Communism, because its aim is to overthrow world morality. Communism is our chief enemy, as its very use of the principles of force is contrary to the teachings of 'Wangtao'.

In the broadest sense, therefore, Japan and Russia were in 1936 providing the World with another example of the phenomenon which, under the name of the clash of ideologies, was playing at the time so prominent a part in international relations on the continent of Europe.

APPENDIX

CHRONOLOGY OF EVENTS, 1936[1]

N.B. The following abbreviations are used in references to the published texts of treaties and documents: *Cmd.* = *British Parliamentary Paper*; *D.I.A.* = *Documents on International Affairs*; *L.N.M.S.* = *League of Nations Monthly Summary*; *L.N.O.J.* = *League of Nations Official Journal*; *L.N.T.S.* = *League of Nations Treaty Series*; *R.* = *Reichsgesetzblatt*, Teil II (Germany).

Abyssinia[2]

1936, Oct. 24. Germany recognized Italian annexation of Abyssinia.

Oct. 31. Departure of French Ambassador, Count de Chambrun, from Rome. His place was taken by a *chargé d'affaires* until the question of the credentials of his successor, M. de Saint-Quentin, should be settled.

Nov. 5. Albanian Minister presented credentials addressed to 'King of Italy and Emperor of Ethiopia'.

Nov. 12. Austria and Hungary recognized Italian Empire in *communiqué* issued after Italo-Austro-Hungarian meeting at Rome.

Nov. 30. Chilean Ambassador presented credentials addressed to King-Emperor.

Dec. 2. It was announced that Japan had decided to replace her legation in Addis Ababa by a consulate-general.

Dec. 15. Greek Government requested *exequatur* for consul-general in Addis Ababa.

Dec. 15. Ras Imru reported to have surrendered on the river Gogeb. Dec. 18, Italians occupied customs post of Gambela near Sudanese frontier. Dec. 19, Italians entered Fiche, about 100 km. north of Addis Ababa. Dec. 21, it was stated in Rome that Italian forces were in control of the provinces of Wallega, Jimma, Kaffa and Arusi, of the region of the Lakes, of part of Jimmirra and of the Maji and Lake Rudolph region, but that they had not yet penetrated into large areas of the Bale and Beni Shangul regions and of the country between Gojjam and Addis Ababa.

Dec. 21. French and British Governments announced their decision to replace their legations in Addis Ababa by consulates-general. Bulgarian Government received authorization to establish consulate.

Dec. 23. Switzerland granted *de jure* recognition to Italian Empire. Belgian Government announced replacement of legation by consulate-general.

Dec. 28. Rumanian Government received authorization to establish consulate in Addis Ababa.

[1] In this chronology only a few treaties of political importance are included. For a full list of bilateral and multilateral treaties and conventions signed or ratified during the year 1936, see the supplementary volume, *Documents on International Affairs, 1936*, pp. 672–717.

[2] See also the Chronology in the *Survey for 1935*, vol. ii, pp. 527–36.

Afghanistan

1936, March 29. Agreement signed with U.S.S.R. prolonging neutrality and non-aggression treaty of June 24, 1931, for ten years. Ratifications exchanged Sept. 3.

Albania

1936, Jan. 23. League Council approved new regulations made by Albanian Government concerning schools for linguistic minorities. May 13, Council considered new law on confessional schools (Text of letter from Council committee on Catholic petitions, *L.N.O.J.*, Aug.–Sept. 1936).

March 19. Economic agreements signed with Italy (*L.N.T.S.* 173).

See also under *Abyssinia*, Nov. 5; *Spain*, Nov. 26.

Antioch and Alexandretta

See under *Syria*, Nov. 1.

Argentina

See under *League of Nations*, Sept. 21–Oct. 10.

Australia

See under *League of Nations*, Sept. 21–Oct. 10; *Naval Armaments*.

Austria

1936, May 14. Reconstruction of Dr. von Schuschnigg's Government without Prince Starhemberg and Baron Berger-Waldenegg. Dr. von Schuschnigg became Minister for Foreign Affairs and for Defence, and Leader of the Vaterländische Front.

May 21. Promulgation of law reorganizing Vaterländische Front.

July 11. Announcement made of conclusion of agreement with Germany (*D.I.A. 1936*, pp. 320–1). Dr. Guido Schmidt appointed Secretary of State for Foreign Affairs and Dr. Glaise Horstenau Minister without Portfolio.

Sept. 23. Friendship and arbitration treaty signed with Īrān.

Oct. 10. Government passed resolution providing for dissolution of para-military formations.

Nov. 3. Resignation of Heimwehr Ministers, Baron Baar von Baarenfels and Dr. Draxler, from Government. Dr. Schmidt became Foreign Minister.

Nov. 19–21. Dr. Schmidt visited Berlin (*Le Temps*, Nov. 22, 1936).

See also under *Abyssinia*, Nov. 12; *Central and South-Eastern Europe*; *Germany*, June 10–19.

Bahrayn

See under *Sa'ūdī Arabia*

Balkan Entente

See under *Central and South-Eastern Europe*, May 4–6.

Baltic States

1936, May 7–9. Fourth Baltic States Conference met at Tallinn (Text of *communiqué*, *Le Temps*, May 12, 1936). Dec. 9–11, Fifth Conference held at Riga.

Belgium

1936, March 6. Franco-Belgian exchange of notes replacing military agreement of Sept. 7, 1920 (*D.I.A. 1936*, pp. 72–3).

May 24. Catholic-Socialist-Liberal coalition lost seats to Rexist, Flemish Nationalist and Communist Parties in general election. May 26, M. van Zeeland's Government resigned. June 14, M. van Zeeland returned to office.

Aug. 1. Netherlands Government instituted proceedings before Permanent Court of International Justice against Belgium with regard to the use of water from the Meuse.

Oct. 14. Statement on foreign policy by King Leopold—see under *Locarno Treaty*.

Oct. 25. Unsuccessful Rexist demonstration in Brussels.

See also under *Abyssinia*, Dec. 23; *Currency; Locarno Treaty; Naval Armaments; Siam; Spain*, Aug. 2.

Black Sea Straits

1936, April 10. Turkish Government sent note to signatory Powers of Treaty of Lausanne and to Jugoslavia asking for modification of demilitarization clauses of Straits Convention of 1923. June 22, opening of Montreux Conference. July 20, signing of convention which came into force provisionally as from Aug. 15 and finally on the deposit of ratifications on Nov. 9 (*D.I.A. 1936*, pp. 648–67).

Bolivia

1936, Jan. 21. Agreement signed with Paraguay regarding diplomatic relations, the repatriation of prisoners and the security clauses of the protocol of June 12, 1935 (*L.N.O.J.*, March 1936).

May 17. President Tejada Sorzano forced to resign by army leaders. Colonel Toro became Provisional President.

Sept. 14. Friendship and non-aggression pact signed with Peru.

See also under *League of Nations*, Sept. 21–Oct. 10; *Permanent Court of International Justice*, July 7.

Bulgaria

See under *Abyssinia*, Dec. 21; *Central and South-Eastern Europe*, Nov. 10, Dec. 21; *Germany*, June 10–19.

Canada

See under *Naval Armaments*.

Central and South-Eastern Europe

1936, Jan. 16–17. Dr. von Schuschnigg visited Prague.

Feb. 1–7. Conversations in Paris between a number of Central European rulers and statesmen and representatives of the French Government. Feb. 4, conversation between M. Flandin and Prince Starhemberg. Feb. 5, the Archduke Otto visited Paris.

Feb. 9–14. Dr. Hodža visited Paris on Feb. 9–14, Belgrade on Feb. 22–4 and Vienna on March 9–10.

Central and South-Eastern Europe: cont.

March 13–16. Dr. von Schuschnigg and Baron Berger-Waldenegg visited Budapest.

March 19, General Gömbös and M. de Kanya visited Budapest on their way to the meeting of the Foreign Ministers of Austria, Hungary and Italy in Rome on March 21–3. Three protocols were signed in Rome on March 23, supplementing protocols of March 17, 1934 (*D.I.A. 1936*, pp. 308–9).

April 1. Austrian National Assembly passed Federal Service Law. April 6, protest made by diplomatic representatives of Little Entente states (*D.I.A. 1936*, pp. 315–16).

April 23–6. M. Zyndram-Koscialkowski, Prime Minister of Poland, visited Budapest.

May 4–6. Balkan Entente Conference held at Belgrade (*D.I.A. 1936*, p. 354).

May 6–7. Little Entente Conference held at Belgrade. (*D.I.A. 1936*, pp. 349–51).

May 27–8. Colonel Beck visited Belgrade.

June 5. Dr. von Schuschnigg visited Signor Mussolini at Rocca delle Caminate.

June 6–9. Prince Paul of Jugoslavia, Dr. Beneš and Dr. Krofta visited Rumania.

Aug. 20–30. Admiral Horthy visited Austria, crossing the frontier on Aug. 22 to visit Herr Hitler at Berchtesgaden.

Sept. 13–14. Little Entente Conference held at Bratislava (*D.I.A. 1936*, pp. 351–4).

Sept. 19–23. Baron Neurath visited Hungary.

Oct. 27–Nov. 2. King Carol of Rumania and M. Antonescu, the new Rumanian Foreign Minister, visited Czechoslovakia (*D.I.A. 1936*, pp. 395–6).

Nov. 10. Bulgarian Premier made statement foreshadowing conclusion of pact with Jugoslavia.

Nov. 11–12. Italian, Austrian and Hungarian Foreign Ministers met at Vienna (*D.I.A. 1936*, pp. 309–10).

Nov. 13–16. Count Ciano visited Budapest.

Nov. 14. *Communiqué* issued on behalf of Little Entente states regarding Hungarian rearmament (*D.I.A. 1936*, p. 310.)

Nov. 24–8. Admiral Horthy, M. Daranyi and M. de Kanya visited Italy on Nov. 24–8 and Austria on Nov. 29–30.

Nov. 25–8. M. Antonescu visited Warsaw (*D.I.A. 1936*, pp. 397–8). Dec. 16–22, M. Antonescu visited Paris.

Dec. 31. Jugoslavian Government announced their acceptance of the Bulgarian proposal for a pact of friendship.

Chile

See under *Abyssinia*, Nov. 30.

China

1936, Jan. 18. Inner Mongolian forces occupied Changpei and set up an autonomous Government with Manchukuoan support.

Jan. 21. Mr. Hirota, the Japanese Foreign Minister, stated the three

China: cont.

principles of Japanese policy in regard to China, in the course of a general speech on foreign affairs.

Jan. 28. Japanese and Manchukuoan forces reported to have captured Kalgan.

Feb. 11. Marshal Yen Hsi-shan appointed director of Suiyuan Mongol Autonomous Council.

March 6. Mr. Hachiro Arita presented letters of credence as Japanese Ambassador in Nanking.

April 16. Mr. Shigeru Kawagoe, Consul-General in Tientsin, appointed to succeed Mr. Arita.

April 28. Prince Teh, the Inner Mongolian leader, was stated to have formed a Mongol Council, under Japanese influence.

June 2. Kuomintang Executive Committee in South China and South-West Political Council telegraphed to Nanking urging armed resistance against Japan. June 8, Kwangtung and Kwangsi troops reported to be advancing into Southern Hunan.

July 2. Mr. Kawagoe arrived in Nanking.

July 10. Japanese killed in Hongkew district of Shanghai.

July 13. Kuomintang Central Executive Committee abolished South-West Political Council and south-west branch of Kuomintang Executive Committee, and superseded the Cantonese Commander-in-Chief, General Chen Chi-tang. July 17, surrender of General Chen Chi-tang, and collapse of revolt in Kwangtung. Aug. 11, General Chiang Kai-shek arrived in Canton.

Aug. 24. Two Japanese journalists killed at Chengtu in Szechuan. Sept. 3, Japanese shopkeeper killed at Pakhoi in Kwangtung.

Sept. 4. Japanese Emperor approved demands, including recognition of Japan's special position in North China, to be presented to Nanking Government.

Sept. 6. Agreement reached between Nanking Government and Kwangsi leaders.

Sept. 15. Mr. Kawagoe opened negotiations with Mr. Chang Chun, the Chinese Foreign Minister.

Sept. 19. Japanese consular policeman killed in Hankow. Sept. 22, Japanese marines landed at Hankow and Pakhoi. Sept. 23, three Japanese sailors shot in Hongkew district of Shanghai, one being killed. Japanese naval authorities thereupon took control of Hongkew for several days.

Oct. 1. It was stated that Mr. Chang Chun had made counter-proposals to Japan including abolition of Tangku Truce and co-operation against smuggling.

Nov. 15. Serious fighting began between Mongol and Manchukuoan forces and Chinese forces defending Suiyuan Province. Nov. 16, statement by Japanese military attaché regarding Japanese aims. Nov. 20, Japanese military attaché at Peking said that Japan would take a serious view of a Chinese counter-offensive into Chahar. Nov. 24, Chinese forces captured Pailingmiao.

Nov. 25. East Hopei Autonomous Area declared to be independent of Nanking.

China: cont.

Nov. 29. Chinese Government made strong statement regarding preservation of territorial integrity.

Dec. 3 and 6. Japanese marines landed at Tsingtao during lock-out of employees of Japanese cotton-mills.

Dec. 3. Sino-Japanese negotiations broken off. Dec. 5, Mr. Kawagoe left Nanking. Dec. 10, Japanese and Chinese statements issued.

Dec. 4. Unsuccessful Mongol-Manchukuoan counter-attack on Pailingmiao. Dec. 10, Mongols and Manchukuoans stated to have been driven out of Tamiao, their last important base in Suiyuan.

Dec. 12. Generals Chang Hsüeh-liang and Yang Hu-ch'eng made General Chiang Kai-shek prisoner at Sianfu, demanding freedom for anti-Japanese movement, and inclusion of all parties in Central Government. Dec. 25, General Chiang Kai-shek released.

Dec. 30. Announcement made of settlement with Japan of Chengtu and Pakhoi incidents.

See also under *League of Nations*, Sept. 21–Oct. 10; *Manchuria*.

Currency

1936, March 31. Belga stabilized at 72 per cent. of its former value.

Sept. 25. Declaration issued by France, Great Britain and U.S.A. concerning international monetary relations and the devaluation of the franc (see pp. 175–8 above). Sept. 26, Belgium adhered to agreement. Swiss and Netherlands Governments decided to devalue currency. Oct. 2, promulgation of French monetary law. Oct. 3, Czechoslovakian Government decided to devalue crown. Oct. 5, Italian lira reduced in value by 40·93 per cent. Nov. 23, British Government announced adherence of Switzerland and the Netherlands to the three-Power agreement.

Czechoslovakia

1936, Feb. 29. Dr. Kamil Krofta became Foreign Minister.

March 31. Czechoslovakian Minister in Berlin protested against election of three Sudetendeutsche to Reichstag.

April 24. Sudetendeutsche Partei submitted petition to League of Nations regarding employment of Czechs in preference to Germans.

May 13. Defence of the State Act became law.

May 28. Statement made by Dr. Krofta before Foreign Affairs Committee of National Assembly (*Journal des Nations*, June 5, 1936; extracts in *D.I.A. 1936*, pp. 357–67).

July 2. German Clerical Party entered into Government coalition.

July 14. Financial agreement signed with Rumania concerning armaments and railway construction.

July 15. Soviet Air Force mission arrived in Prague.

Aug. 19. President Beneš visited Sudetenland, making speeches at Reichenburg, Gablonz and Zelezny Brod (extracts in *D.I.A. 1936*, pp. 367–75).

Sept. 23. Czechoslovakian Minister in Berlin protested against allegations regarding Russian air bases in Czechoslovakia.

Oct. 22 and Nov. 3. Statements made by Dr. Krofta before Foreign

Czechoslovakia: cont.

Affairs Committees of National Assembly (extracts in *D.I.A. 1936*, pp. 375–93).

Nov. 11. Declaration of policy by Dr. Hodža before Budget Committee of Chamber (*Journal des Nations*, Nov. 15/16, 1936).

See also under *Central and South-Eastern Europe; Currency.*

Danzig

1936, Jan. 22 and 24. League Council discussed situation caused by conflicts between the Nazi Party and the Opposition parties and the League High Commissioner. Feb. 20, Danzig Senate passed decrees modifying legislation objected to by League Council. May 13, League Council renewed Mr. Lester's term of office as High Commissioner for a year from Jan. 15, 1937.

June 12. Disturbances provoked by Nazis at political meeting, many other disturbances and demonstrations taking place during the next week. June 19, all political meetings forbidden. June 25, German cruiser *Leipzig* visited Danzig, the captain being instructed not to pay a visit of courtesy to Mr. Lester. July 4, League Council discussed a special report from Mr. Lester and asked Polish Government to deal with *Leipzig* incident through the diplomatic channel. July 11, membership of Nazi Party made compulsory for all Danzig officials. July 16, issue of public security decrees, aimed against Opposition parties. July 24, exchange of notes between Polish and German Governments regarding *Leipzig* incident. Sept. 25, League Council adopted resolution noting settlement of *Leipzig* incident and reaffirming confidence in High Commissioner. Sept. 30, Mr. Lester appointed Deputy-Secretary-General of League. Oct. 5, League Council invited Polish Government to seek means of putting an end to the existing situation in which the League High Commissioner was unable to exercise his functions. Oct. 14, Danzig Social-Democratic Party dissolved. Oct. 24, Polish Minister presented memorandum to Danzig Senate, regarding relations between Danzig and the League and the protection of Polish interests. Dec. 9, negotiations on these questions began between Herr Greiser and Polish Minister (*D.I.A. 1936*, pp. 433–51).

Dominican Republic

1936, April 14. Ratifications exchanged with Haiti of frontier delimitation agreements of Feb. 27, 1935, and March 19, 1936 (*L.N.T.S.* 171).

Denmark

See under *League of Nations*, Sept. 21–Oct. 10; *Naval Armaments*; *Permanent Court of International Justice*, April 25; *Siam.*

Ecuador

1936, July 6. Protocol signed with Peru regarding opening of negotiations at Washington on Sept. 30 and arbitral settlement of dispute concerning frontiers in Upper Amazon Basin (*L.N.T.S.* 173).

Egypt

1936, Jan. 20. British High Commissioner presented reply to Egyptian note of Dec. 12, 1935, regarding the reopening of treaty negotiations.

Jan. 22. Nasīm Pasha's Government resigned.

Jan. 27–9. Disturbances by students at Mansūrah, Damanhūr, and Cairo.

Jan. 30. 'Alī Pasha Māhir formed a Government.

March 2. Anglo-Egyptian negotiations began at Cairo.

April 28. Death of King Fu'ād, who was succeeded by his son Fārūq.

May 2. Wafdist victory in general election.

May 7. Friendship treaty concluded with Sa'ūdī Arabia. Exchange of ratifications and entry into force on May 8 (*Oriente Moderno*, June 1936).

May 10. Mustafā Pasha Nahhās formed Wafdist Government.

June 4–27. Sir Miles Lampson visited London to discuss questions arising out of Anglo-Egyptian negotiations. July 1, negotiations resumed. Aug. 13, draft text of treaty completed. Aug. 26, signing of treaty of alliance and convention concerning British armed forces (*D.I.A. 1936*, pp. 478–89 and *Cmd.* 5360). Nov. 5, financial agreement signed regarding Sudan (*Cmd.* 5319).

Nov. 18. Agreement signed with Sa'ūdī Arabia regarding Waqfs, the Mahmal and questions of nationality.

Estonia

See under *Baltic States*.

Finland

1936, Oct. 6. M. Kallio, leader of the Agrarian Party, formed a Government, with M. Holsti as Foreign Minister.

See also under *Naval Armaments*.

France

1936, Jan. 22. M. Laval's Government resigned. Jan. 24, M. Albert Sarraut formed a Government.

Feb. 13. Dissolution of Camelots du Roi and Ligue d'Action Française, following an attack on M. Blum.

Feb. 27. Count Welczek appointed German Ambassador in Paris.

March 30. Italy instituted proceedings against France before Permanent Court of International Justice regarding discovery and working of phosphates in Morocco.

April 25. Treaty of friendship signed with Yaman.

April 26 and May 3. Victory of Front Populaire in general election. June 4, M. Blum's Government took office, with M. Yvon Delbos as Foreign Minister. June 8, agreement for settlement of labour disputes signed at Hotel Matignon. June 18, decrees signed dissolving Croix de Feu, Solidarité Française, Jeunesses Patriotes and Francistes.

June 23. Declaration of foreign policy made by M. Delbos and

France: cont.

M. Blum in Chamber of Deputies and Senate (*D.I.A. 1936*, pp. 268–74).

July 26. Bill amending constitution of Bank of France became law.

Aug. 12–16. General Gamelin visited Warsaw.

Aug. 25–8. Dr. Schacht visited Paris.

Aug. 30–Sept. 6. General Smigly-Rydz visited Paris. Oct. 14–15, Colonel Beck visited Paris.

Oct. 27. French and Greek Governments asked Permanent Court of International Justice to give decision in case concerning management of lighthouses in Crete and Samos.

Nov. 6. Prolongation for ten years as from Nov. 8 of friendship treaty and pacific settlement convention with Rumania of June 10, 1926.

See also under *Abyssinia*, Oct. 31, Dec. 21; *Belgium*, March 6; *Central and South-Eastern Europe*, Feb. 1–7, Feb. 9–14, Nov. 25–8; *Currency; Locarno Treaty; Naval Armaments; Permanent Court of International Justice*, April 25; *Spain; Syria*.

Germany

1936, March 29. Herr Hitler secured 98·8 per cent. majority in general election.

April 10. Death of Herr von Hoesch, German Ambassador in Great Britain.

April 30. Trade agreement signed with 'Manchukuo', came into force June 1.

June 10–19. Dr. Schacht visited Vienna, Belgrade, Athens, Sofia and Budapest.

June 29. Agreement signed with Portugal concerning liquidation of German property, rights and interests. Exchange of ratifications and entry into force on Dec. 18 (*R.* Jan. 8, 1937).

Aug. 11. Herr von Ribbentrop appointed Ambassador in Great Britain.

Aug. 24. Period of military service raised from one year to two.

Aug. 31 and Dec. 22. Agreements signed with Poland regarding payments for railway traffic across Corridor.

Sept. 8–14. Nazi Party Congress held at Nuremberg. Speeches by Herr Hitler on Sept. 9, announcing four years' economic plan; on Sept. 12, on economic self-sufficiency and the natural resources of Russia; and on Sept. 13 and 14, denouncing Bolshevism. (*D.I.A. 1936*, pp. 290–6).

Oct. 18. General Göring appointed director of four years' plan.

Oct. 20–5. Count Ciano visited Germany (*D.I.A. 1936*, pp. 341–3).

Nov. 14–20. Dr. Schacht visited Istanbul, Angora and Baghdad, leaving for Tihrān on Nov. 20.

Nov. 14. Germany denounced provisions of Versailles Treaty concerning inland waterways and Kiel Canal (*D.I.A. 1936*, pp. 282–5).

Nov. 15. *Völkischer Beobachter* published article by Herr Rosenberg on treaty revision.

Germany: cont.

Nov. 25. Agreement signed with Japan against Communist International (*D.I.A. 1936*, pp. 297–9).

See also under *Abyssinia*, Oct. 24; *Austria*, July 11, Nov. 19–21; *Central and South-Eastern Europe*, Aug. 20–30, Sept. 19–23; *Czechoslovakia*, March 31, Sept. 23; *Danzig; France*, Feb. 27, Aug. 25–8; *Locarno Treaty; Naval Armaments; Siam; Spain; Switzerland; U.S.S.R.*, Nov. 19–22.

Great Britain

1936, Jan. 20. Death of King George V.

Sept.–Dec. Statements on foreign policy made by Mr. Eden in League Assembly on Sept. 25, and at Bradford on Dec. 14 (*D.I.A. 1936*, pp. 251–60, 263–7).

Nov. 12. Speech by Mr. Baldwin in House of Commons on rearmament, referring to Government policy at last elections.

Dec. 9. Abdication of King Edward VIII.

See also under *Abyssinia*, Dec. 21; *Currency; Egypt*, Jan. 20, March 2, June 4–27; *Germany*, April 10, Aug. 11; *Italy*, Sept. 22, Nov. 5; *Locarno Treaty; Naval Armaments; Palestine; Poland*, Nov. 8–12; *Sa'ūdī Arabia; Siam; Spain*.

Greece

1936, Jan. 26. General election, in which neither Venizelists nor Anti-Venizelists gained clear majority. Jan. 29, M. Demertzis's Government resigned. March 14, M. Demertzis returned to office.

March 18. Death of M. Venizelos.

April 13. General Metaxas became Premier on the death of M. Demertzis. Aug. 4–5, General Metaxas established a dictatorship.

See also under *Abyssinia*, Dec. 15; *Central and South-Eastern Europe*, May 4–6; *France*, Oct. 27; *Germany*, July 10–19.

Guatemala

See under *League of Nations*, May 14; *Spain*, Nov. 10.

Haiti

See under *Dominican Republic*.

Honduras

See under *League of Nations*, June 22.

Hungary

1936, Oct. 6. Death of General Gömbös. Oct. 12, M. Kalman Daranyi took office as Premier.

Dec. 16. Permanent Court of International Justice decided that the Hungarian appeal against the decision of the Hungaro-Jugoslavian Mixed Arbitral Tribunal in the Pacs, Csáky, Esterházy case was not receivable. With regard to the alternative Hungarian claim, the Court interpreted the Paris agreements of April 28, 1930, in accordance with the submissions of the Jugoslavian Government.

See also under *Abyssinia*, Nov. 12; *Central and South-Eastern Europe; Germany*, June 10–19.

India

See under *Naval Armaments.*

Irān

See under *Austria*, Sept. 23; *Germany*, Nov. 14–20.

'Irāq

1936, April 2. Treaty of Arab brotherhood and alliance signed with Sa'ūdī Arabia (*'Irāq Government Gazette*, May 10, 1936).

July 4 and Sept. 25. League Council considered question of settlement of the Assyrians of 'Irāq, the scheme for settling them in the Ghab district of Syria having been given up owing to political as well as technical difficulties.

Oct. 29. General Bakīr Sidqī and other army leaders overthrew General Yāsīn Pasha al-Hāshimī's Government. Sayyid Hikmat Sulaymān formed a Government.

See also under *Germany*, Nov. 14–20; *Palestine.*

Irish Free State

1936, Dec. 11. Constitution (Amendment, No. 27) Bill passed, removing all references to King and Governor-General. Dec. 12, Executive Authority (External Relations) Bill passed.

See also under *Naval Armaments.*

Italy

1936, June 9. Count Galeazzo Ciano appointed Foreign Minister.

Sept. 22. Statement by Sir Samuel Hoare on British policy in Mediterranean.

Oct. 24 and Nov. 1. Speeches on foreign policy by Signor Mussolini at Bologna and Milan (*D.I.A. 1936*, pp. 343–7).

Nov. 5. Mr. Eden, speaking in House of Commons, commented on Signor Mussolini's references to Mediterranean in his Milan speech. Dec. 3, beginning of a series of interviews between Sir Eric Drummond and Count Ciano. Dec. 31, Anglo-Italian exchange of notes—see under *Spain.*

See also under *Abyssinia; Austria*, March 19; *Central and South-Eastern Europe*, March 13–16, June 5, Nov. 11–12, Nov. 13–16, Nov. 24–8; *Currency; France*, March 30; *Germany*, Oct. 20–5; *Locarno Treaty; Naval Armaments; Spain.*

Japan

1936, Jan. 21. Declaration of foreign policy by Mr. Hirota at opening session of Diet.

Feb. 20. General election, resulting in strengthening of Government's position.

Feb. 26. Rising in Tokyo led by members of 'Young Officers' group. Assassination of Mr. Takahashi, Minister for Finance, Viscount Saito and General Watanabe. Feb. 29, surrender of rebels.

March 9. Mr. Hirota formed a Government.

April 2. Mr. Hachiro Arita, Ambassador in China, appointed Foreign

Japan: cont.

Minister. April 25, statement by Mr. Arita to foreign journalists on the stabilization of Eastern Asia.

See also under *Abyssinia*, Dec. 2; *China; Germany*, Nov. 25; *Manchuria; Naval Armaments*.

Jugoslavia

1936, March 7. Reconstruction of M. Stojadinović's Government, without the former War Minister, General Živković.

See also under *Central and South-Eastern Europe; Germany*, June 10–19; *Hungary*, Dec. 16.

Latvia

See under *Baltic States*.

League of Nations

1936, Jan. 7–15. Second session of Committee on the International Repression of Terrorism (Text of draft conventions, *L.N.M.S.* Jan. 1936).

Jan. 20–4. Ninetieth session of Council.

March 14–24 and April 20. Ninety-first (extraordinary) session of Council.

April 27–8. Committee on the composition of the Council adopted report on temporary increase of non-permanent seats to eleven.

May 11–13. Ninety-second session of Council, continued on June 26 and July 4.

May 14. Guatemala gave notice of withdrawal.

May 27–June 12. Twenty-ninth session of Permanent Mandates Commission.

June 4–24. Twentieth session of International Labour Conference. Draft conventions adopted on holidays with pay, the recruiting of native workers, and the 40 hour week in public works.

June 8–26. Conference on the suppression of the illicit trade in dangerous drugs (Text of convention, *procès-verbal* and final act *L.N.O.J.* Aug.–Sept. 1936).

June 22. Honduras gave notice of withdrawal.

June 26. Nicaragua gave notice of withdrawal.

June 26. Council discussed reform of Covenant.

June 30–July 4. Continuation of sixteenth session of Assembly. July 4, Assembly invited states members to send in proposals for the reform of the Covenant.

July 2–4. Conference held on the legal status of refugees coming from Germany (Text of provisional arrangement of July 4, *L.N.O.J.* Dec. 1936).

Sept. 18–26. Ninety-third session of Council.

Sept. 21–Oct. 10. Seventeenth session of Assembly. Bolivia, New Zealand and Sweden were elected to succeed Argentina, Australia and Denmark on the Council, and China and Latvia were elected to the new non-permanent seats. Oct. 10, Assembly appointed Committee of Twenty-eight to study proposals for reform of

League of Nations: cont.

Covenant. (For text of proposals and of proceedings of Assembly see *L.N.O.J.* Special Supplements Nos. 154 and 162.)

Oct. 2–10. Ninety-fourth session of Council.

Oct. 6–24. Twenty-first and Twenty-second sessions of International Labour Conference. Draft conventions adopted on hours of work on board ship and manning, annual holidays with pay, and liability of shipowners in case of sickness, injury or death of seamen.

Oct. 27–Nov. 11. Thirtieth session of Permanent Mandates Commission.

Dec. 10–15. Ninety-fifth (extraordinary) session of Council.

Dec. 14–16. Meeting of Committee on the Reform of the Covenant.

See also under *Albania*, Jan. 23; *Danzig; 'Irāq*, July 4; *Locarno Treaty*, March 8, March 14–19; *Spain*, Sept. 25, Nov. 27, Dec. 10–12; *Syria*, Nov. 1; *U.S.S.R.*, 1935, Dec. 27.

Lebanon

See *Syria and Lebanon.*

Lithuania

See under *Baltic States.*

Little Entente

See under *Central and South-Eastern Europe*, April 1, May 6–7, Sept. 13–14, Nov. 14.

Locarno Treaty and Remilitarization of Rhineland.

1936, Feb. 12. Mr. Eden, speaking in House of Commons, gave assurances concerning British obligations under Locarno Treaty.

Feb. 27. Franco-Russian mutual assistance pact ratified by French Chamber of Deputies.

March 2. French Ambassador in Berlin had an interview with Herr Hitler and Baron Neurath concerning preparations for a *rapprochement.*

March 7. German troops began reoccupation of demilitarized zone in Rhineland; German memorandum presented to Locarno Powers regarding denunciation of Locarno Treaty and remilitarization of Rhineland; statement made by Herr Hitler at special session of Reichstag (*D.I.A. 1936*, pp. 35–45).

March 8. French and Belgian Governments appealed to League Council. M. Sarraut broadcast a statement (*op. cit.*, pp. 45–6 and 46–51).

March 9. Statement by Mr. Eden in House of Commons (*op. cit.*, pp. 52–6).

March 10. Statement read by MM. Sarraut and Flandin in Chamber of Deputies and Senate (*op. cit.*, pp. 61–9). Meeting of Locarno Powers other than Germany in Paris (*op. cit.*, pp. 56–7).

March 11. Statement made by M. van Zeeland in Belgian Chamber and Senate (*op. cit.*, pp. 69–77).

March 12. German Government issued memorandum, and declaration

Locarno Treaty and Remilitarization of Rhineland: cont.

concerning 'symbolic occupation' (*op. cit.*, pp. 77–81). French Senate ratified Franco-Russian Pact.

March 12–19. Locarno Powers other than Germany met in London (*op. cit.*, pp. 81–2). Draft proposals adopted on March 19 (*op. cit.*, pp. 127–33).

March 14–19, 20 and 24. League Council met in London. March 14–17, exchange of notes between Secretary-General and German Government, and between British and German Governments, regarding attendance of German representatives. March 19, resolution adopted about violation of treaty. German representative attended and made statement (*op. cit.*, pp. 82–120, 151–4).

March 20. Statements regarding Locarno Powers' proposals made by Mr. Eden, M. Flandin and M. van Zeeland in British, French and Belgian parliaments (*op. cit.*, pp. 133–7, 137–43, 143–51).

March 24. Provisional German reply presented to Locarno Powers (*op. cit.*, pp. 154–7).

March 26. Debate in House of Commons on proposals and statement by Mr. Eden (*op. cit.*, pp. 159–71).

March 27. Ratifications exchanged of Franco-Russian Pact (*L.N.T.S.* 167).

March 29. Speech by M. Flandin at Vézelay (*D.I.A. 1936*, pp. 171–5).

March 31. German reply to Locarno Powers' proposals brought to London and presented to Mr. Eden next day (*op. cit.*, pp. 183–92).

April 2. Notes exchanged between Great Britain, France and Belgium on mutual assistance and General Staff talks (*op. cit.*, pp. 175–8).

April 3. Statement by Mr. Eden in House of Commons. April 6, debate in House of Commons with statements by Mr. Eden and Mr. Chamberlain (*op. cit.*, pp. 192–6).

April 6. French Cabinet approved documents (published on April 8), replying to German proposals and putting forward counter-proposals for European settlement (*op. cit.*, pp. 197–210).

April 10. Locarno Powers met at Geneva (*op. cit.*, pp. 210–11).

April 15–16. General Staff talks took place in London.

May 7. British *questionnaire* handed to German Government (*op. cit.*, pp. 211–16).

May 12. British, French and Belgian representatives met at Geneva.

June 18. Statement by Mr. Eden in House of Commons (*op. cit.*, pp. 216–18).

July 23. British, French and Belgian representatives met in London; *communiqué* issued regarding proposed Five-Power Conference (*op. cit.*, pp. 218–19).

July 27. Statement by Mr. Eden in House of Commons.

July 31. Italy and Germany accepted invitation to Conference in principle (*op. cit.*, pp. 219–20).

Sept. 10. British Government stated to have proposed that Conference should be held at the end of October. Sept. 14, German and Italian replies received at Foreign Office.

Sept. 18. British note to Belgium, France, Germany and Italy con-

Locarno Treaty and Remilitarization of Rhineland: cont.

cerning preparation of Conference. Replies received from France before Oct. 14; from Germany on Oct. 14; from Italy on Oct. 20; and from Belgium on Oct. 23.

Oct. 14. Statement by King Leopold to Belgian Cabinet regarding foreign policy and defence. Oct. 28, statement by M. Spaak in Belgian Chamber (*op. cit.*, pp. 223–7, 227–33).

Nov. 4. British memorandum addressed to all Locarno Powers. Nov. 19, further British note.

Nov. 20. Speech by Mr. Eden at Leamington defining British commitments (*op. cit.*, pp. 260–3).

Nov. 27. Mr. Eden gave assurances of British assistance to Belgium (*op. cit.*, p. 233).

Dec. 2. Statement by M. van Zeeland in Belgian Chamber (*op. cit.*, pp. 234–9). Statement by Mr. Eden in House of Commons about British obligations to France and Belgium under proposed treaty.

Dec. 4. Statement by M. Delbos in Chamber of Deputies as to French obligations to Great Britain and Belgium (*op. cit.*, pp. 274–82).

Manchuria

1936, June 10. Convention and supplementary agreement signed between 'Manchukuo' and Japan regarding extra-territoriality, residence and taxation (*American Journal of International Law*, Oct. 1936).

July 1. Manchukuoan Foreign Minister announced that the extra-territorial privileges of foreign nationals would be gradually withdrawn.

See also under *Germany*, April 30.

Mongolia, Inner

See under *China*.

Mongolia, Outer

1936, March 12. Mutual assistance pact signed with U.S.S.R.

Naval Armaments

1936, Jan. 6. London Naval Conference reassembled to discuss British, French and Italian proposals with regard to notification of building plans. Jan. 8, Japanese delegates renewed their demand for a 'common upper limit'. Jan. 15, Japanese delegation withdrew from Conference. Feb. 27, Italian delegation stated that they were unable for the moment to sign a treaty. Feb. 29, German Government informed Foreign Office of their willingness to enter into negotiations for a bilateral agreement. March 24/25, Anglo-American exchange of notes regarding competitive building. March 25, treaty signed on behalf of France, U.S.A. and Great Britain, Australia, Canada, India and New Zealand. May 20, Anglo-Russian conversations began. May 27, Anglo-Polish conversations began. June 29, Japanese Government informed British Government that they would not adhere to the treaty. July 2, United States Government deposited ratification of the treaty. July 30,

Naval Armaments: cont.

Anglo-Russian conversations stated to have resulted in an agreement in principle. Sept. 15, conversations began between representatives of Great Britain, Denmark, Finland, Norway and Sweden. Oct. 12, German note presented to Great Britain criticizing draft Anglo-Russian agreement. Nov. 6, *procès-verbal* maintaining provisions of 1930 treaty regarding submarine warfare signed by Australia, Canada, France, Great Britain, India, Irish Free State, Italy, Japan, New Zealand, South Africa and U.S.A. (*Cmd.* 5302). (Germany adhered to this *procès-verbal* on Nov. 23 and Belgium on Dec. 23.) Dec. 14, Anglo-Turkish conversations began. Dec. 31, expiry of Washington Treaty and of London Treaty of 1930 (*D.I.A. 1936*, pp. 599–642).

Netherlands

See under *Belgium*, Aug. 1; *Currency; Permanent Court of International Justice*, Aug. 6; *Siam*.

New Zealand

See under *League of Nations*, Sept. 21–Oct. 10; *Naval Armaments*.

Nicaragua

1936, June 2. Resignation of President Sacasa following a revolt by the National Guard. June 9, Dr. Brenes Jarquin appointed Provisional President. Dec. 8, General Somoza, Commander-in-Chief of National Guard, elected President.

See also under *League of Nations*, June 26; *Spain*, Dec. 2.

Norway

1936, March 23. Exchange of ratifications and entry into force of arbitration and conciliation convention of May 13, 1935, with Venezuela (*L.N.T.S.* 167).

See also under *Naval Armaments; Permanent Court of International Justice*, Aug. 6.

Palestine

1936, April 15. First serious outbreaks of inter-racial hostilities, followed by disturbances throughout the country during the next six months. April 19, anti-Jewish riots in Jaffa. April 20–2, Arabs declared general strike in many towns. April 25, Supreme Arab Committee (later called Arab Higher Committee) set up. May 15, Arab Committee called on Arabs to refuse to pay taxes. May 19, British Government announced their intention of appointing a Royal Commission. July 29, Commission definitely appointed. Aug. 20–4 and Aug. 27–30, Nūrī Pasha as-Sa'īd, Foreign Minister of 'Irāq, visited Jerusalem. Statements regarding his visit were made by the Arab Higher Committee on Aug. 30 and on behalf of British Government on Sept. 3. Sept. 3, Colonial Office issued statement regarding future policy and despatch of military reinforcements. Sept. 29, Order in Council regarding martial law published, but not put into force. Oct. 11, Arab Higher Committee published letters

Palestine: cont.

from Amīr of Transjordan and Kings of 'Irāq and Sa'ūdī Arabia in favour of making peace, together with a manifesto calling off general strike as from Oct. 12. Nov. 11, members of Royal Commission arrived in Jerusalem.

Pan-Americanism

1936, Dec. 1–23. Inter-American Conference for the Maintenance of Peace met at Buenos Aires. Agreements signed regarding (1) Maintenance, preservation and re-establishment of peace (collective security pact); (2) Additional protocol on non-intervention; (3) Prevention of controversies; (4) Good offices and mediation; (5) Co-ordination, extension and fulfilment of existing treaties (neutrality convention); (6) Pan-American Highway; (7) Cultural relations; (8) Interchange of publications; (9) Artistic exhibitions; (10) Peaceful orientation of public instruction; (11) Educational and publicity films (*International Conciliation*, March 1937 and *D.I.A. 1936*, pp. 383–97).

Panamá

1936, March 2. Treaty revising convention of Nov. 18, 1903, concluded with U.S.A. together with agreements regarding radio communications and trans-isthmian road (*New York Times*, April 25, 1936).

Paraguay

1936, Feb. 17. President Ayala's Government overthrown by military revolt. Feb. 19, Colonel Franco took office as Provisional President.

See also under *Bolivia*, Jan. 21.

Permanent Court of International Justice

1936, Feb. 1. Entry into force of protocol of Sept. 14, 1929, revising statute of Court (*L.N.O.J.* Dec. 1929).

March 12. Turkey signed protocol of signature of statute, together with optional clause and protocol regarding accession of U.S.A.

April 25. France renewed her acceptance of optional clause for five years from April 25, Rumania for five years from June 9, and Denmark for ten years from June 13.

July 7. Bolivia ratified protocol of signature and accepted optional clause.

Aug. 6. Netherlands renewed acceptance of optional clause for ten years from Aug. 6, Sweden for ten years from Aug. 16, Norway for ten years from Oct. 2, and Switzerland for ten years from date of ratification.

See also under *Belgium*, Aug. 1; *France*, March 30, Oct. 27; *Hungary*, Dec. 16.

Peru

See under *Bolivia*, Sept. 14; *Ecuador*.

Poland

1936, Jan. 15. Declaration of policy made by Colonel Beck to Foreign Affairs Committee of Sejm.

May 15. Resignation of M. Zyndram-Koscialkowski's Government. General Slawoj-Skladkowski formed a Government.

July 15. General Smigly-Rydz proclaimed as 'first citizen' of Poland, next in rank to the President of the Republic.

Nov. 8–12. Colonel Beck visited London (*D.I.A. 1936*, p. 406).

Dec. 18. Declaration of policy by Colonel Beck to Foreign Affairs Committee of Senate (*op. cit.*, pp. 406–15).

See also under *Central and South-Eastern Europe*, April 23–6, May 27–8, Nov. 25–8; *Danzig; France*, Aug. 12–16, Aug. 30–Sept. 6; *Germany* Aug. 31; *Naval Armaments; Spain*, Aug. 9.

Portugal

See under *Germany*, June 29; *Siam; Spain.*

Rhineland

See *Locarno Treaty.*

Rumania

1936, July 15. Council of Ministers heard and approved a statement on foreign policy made by M. Titulescu.

Aug. 29–30. Reconstruction of M. Tatarescu's Government. M. Titulescu was replaced by M. Antonescu as Foreign Minister.

Sept. 4. Convention signed with Turkey concerning emigration of Turks from Dobruja.

Dec. 11. Declaration of foreign policy made by M. Antonescu to Foreign Affairs Committees of Rumanian Parliament.

See also under *Abyssinia*, Dec. 28; *Central and South-Eastern Europe; Czechoslovakia*, July 14; *France*, Nov. 6; *Permanent Court of International Justice*, April 25.

Salvador

See under *Spain*, Nov. 10.

Sa'ūdī Arabia

1936, Oct. 3. Exchange of notes with Great Britain regarding Treaty of Jiddah of May 20, 1927 (*Cmd.* 5380). Nov. 16/17, exchange of notes regarding Bahrayn transit dues (*L.N.T.S.* 170).

See also under *Egypt*, May 7, Nov. 18; *'Irāq*, April 2; *Palestine.*

Siam

1936, Nov. 5. Siam denounced friendship and commerce treaties with Belgium (July 13, 1926), Denmark (Sept. 1, 1925), Germany (April 7, 1928), Great Britain (July 14, 1925), Netherlands (June 8, 1925), Portugal (Nov. 14, 1925) and U.S.A. (Dec. 16, 1920).

South Africa

See under *Naval Armaments.*

Spain.

1936, Feb. 16. Frente Popular gained majority in general election. March 1, second ballot held in a few constituencies.

Feb. 19. Señor Portela Valladares's Government resigned. Feb. 20, Señor Azaña's Government took office.

April 7. Señor Alcalá Zamora deposed from Presidency. Señor Martinez Barrio took office as temporary President.

April 17. Dissolution of Fascist leagues and all similar organizations.

May 10. Señor Azaña elected President of the Republic.

May 13. Señor Casares Quiroga formed a Government.

July 13. Murder of Señor Calvo Sotelo, the Monarchist leader.

July 18. Revolt broke out in Morocco. July 19, revolt broke out all over Spain. Señor Casares Quiroga resigned; Señor Martinez Barrio formed a Government, but was succeeded the same day by Señor Giral. At the end of the first week of fighting the rebels held Navarre, part of Aragon and of Old Castile, Leon, part of Asturias, Galicia, part of Andalusia and of Estremadura, the whole of Morocco, all the Balearic Islands except Minorca, and the Canary Islands. The principal towns which they held were Burgos, Pamplona, Saragossa, Valladolid, Corunna, Salamanca, Segovia, Cordova, Granada, Seville, Cadiz and Algeciras. Government forces had reoccupied Toledo, but a rebel garrison held out in the Alcázar.

July 25. French Government decided not to authorize further supplies of war material to Spain, excluding commercial aircraft.

July 31. Rebel 'Committee of National Defence' at Burgos, presided over by General Cabanellas, informed British Government of its formation and of its desire that friendly relations should be maintained with Great Britain.

Aug. 1. French Government approached British and Italian Governments with regard to measures for shortening the civil war and avoiding international complications.

Aug. 2. Government forces occupied the whole of Oviedo except the citadel. French Government issued *communiqué* on non-intervention negotiations which also stated that, as the rebels were being supplied with munitions from abroad, France would reserve liberty of judgment with regard to neutrality. Aug. 3, speech by M. Delbos at Sarlat condemning ideological crusades. Aug. 4, favourable British reply given to French non-intervention proposals. Aug. 4, M. François-Poncet discussed non-intervention with Baron Neurath. Aug. 5, Soviet Government agreed to co-operate on certain conditions. Aug. 6, Italian and Belgian replies stated to have been received in Paris. French Government completed draft of non-intervention agreement. Aug. 7, it was stated that Portugal had replied to the French Government's preliminary proposal and that the British Government had approved the draft agreement. The French Government were stated to have recently authorized the delivery of aeroplanes to Spain.

Spain: cont.

Aug. 8. Government forces recaptured islands of Iviza and Formentera. Iviza was recaptured by rebels at the end of September.

Aug. 9. French Government decided to suspend exports of all war material to Spain. German *chargé d'affaires* gave British Government assurances regarding intervention. Aug. 10 and 15, Spanish Government sent protests to French Government regarding non-intervention proposal. Aug. 20, French reply (*Journal des Nations*, Oct. 15, 1936). Aug. 10, Soviet and Polish Governments accepted French proposal. Aug. 11, Italian reply presented to French Government asking for ban on volunteers, subscriptions and other forms of 'moral support'. Aug. 14, new French proposals presented to Italy. Aug. 14, Portugal stated to have adhered to agreement in principle (*Le Temps*, Aug. 16, 1936).

Aug. 14. Switzerland prohibited export of arms, collection of funds and departure of volunteers.

Aug. 14. Rebels took Badajoz.

Aug. 15. Franco-British exchange of notes regarding non-intervention proposal (*Le Temps*, Sept. 11, 1936). British Government issued statement (*The Times*, Aug. 17, 1936).

Aug. 16. Government forces defeated in Majorca.

Aug. 17. German note presented accepting non-intervention proposal on condition that all armament-manufacturing countries should take part, and urging the prohibition of volunteering. Aug. 19, British Government declared arms embargo.

Aug. 19. German steamer *Kamerun* stopped by Government warships off Cadiz. Aug. 21, Government forces stormed rebel garrison at Gijon.

Aug. 21. Italian reply presented to French Government agreeing to 'direct' non-intervention but maintaining reservations regarding volunteers and subscriptions (*M.G.* Aug. 22, 1936). Portuguese Government adhered to proposal with far-reaching reservations (*Le Temps*, Sept. 11, 1936). Aug. 23, formal adherence of U.S.S.R. (*ibid.*). Aug. 24, German Government announced their decision to apply arms embargo (*ibid.*). Aug. 26, French Government proposed establishment of a non-intervention committee in London. Aug. 27, Portuguese decree published declaring arms embargo, on condition of the prohibition of subscriptions and volunteering. Aug. 28, Italian arms embargo declared.

Sept. 4. Rebels occupied Talavera. Señor Giral's Government resigned and Señor Largo Caballero formed a Government with Communist support. Sept. 5, rebels entered Irun. Sept. 6, Government forces withdrawn from Majorca.

Sept. 9. First meeting of Non-Intervention Committee in London. Portugal was the only European state not to send a representative.

Sept. 13. Rebels occupied San Sebastian.

Sept. 15. Spanish Government sent protests to Germany, Italy and Portugal with regard to supply of arms to rebels.

Sept. 22. Uruguayan Government broke off diplomatic relations with Spanish Government.

Spain: cont.

Sept. 25. Speech by Spanish Foreign Minister, Señor Alvarez del Vayo, protesting against non-intervention policy. Sept. 26, Spanish memorandum regarding intervention sent to Secretary-General of the League. Oct. 2, another memorandum issued by Spanish representatives at Geneva (*Journal des Nations*, Oct. 1, 2, and 3, 1936).

Sept. 27. Portuguese Government decided to take part in work of Non-Intervention Committee, subject to the reservations of their note of Aug. 21.

Sept. 28. Rebels occupied Toledo and relieved garrison of Alcázar. Oct. 1, Burgos Junta conferred titles of Commander-in-Chief and Head of the Spanish State upon General Franco.

Oct. 1. Cortes passed Basque Home Rule Statute.

Oct. 7. Russian representative on Committee threatened to withdraw from non-intervention agreement.

Oct. 8. Rebels stated to have occupied Navalperal to the north-west of Madrid and Siguenza to the north-east.

Oct. 9. British Government communicated Spanish Government's protests to Non-Intervention Committee. Oct. 12, Russian proposal for naval control of Portuguese ports laid before Committee.

Oct. 15. Rebels continued to advance west of Madrid. Oct. 16, Señor Largo Caballero appointed to supreme command of Government forces. Oct. 18, rebels captured Illescas, south of Madrid.

Oct. 21. German note sent to Non-Intervention Committee replying to Spanish and Soviet allegations by counter-accusations against Russia.

Oct. 23. Portuguese Government broke off diplomatic relations with Spanish Government. Oct. 23 and 24, Portuguese notes replying to Spanish and Soviet allegations addressed to Non-Intervention Committee.

Oct. 23. British note presented to Committee alleging violation of agreement by Russia and Italy. Russian note presented, declaring that Soviet Government could not consider themselves bound by the agreement to a greater extent than other countries and proposing that the Spanish Government should be allowed to buy arms abroad. Italian note also circulated to Committee. Oct. 24, British representative on Committee suggested that neutral observers might be sent to Spanish ports. Spanish Government sent two notes to British Foreign Office regarding intervention by Germany and Portugal. Oct. 28, further Russian and Italian notes laid before Committee. Nov. 2, Chairman's Sub-Committee of Non-Intervention Committee discussed proposal for supervision at ports. Two more Russian notes reported to have been received in London.

Nov. 3. Rebels penetrated second line of Madrid defences at Mostoles and Villaviciosa. Nov. 4, rebels occupied Getafe, eight miles from Madrid.

Nov. 4. Reconstruction of Largo Caballero Government to include Anarcho-Syndicalists.

Nov. 7. Government withdrew to Valencia, leaving Madrid under control of a Junta presided over by General Miaja. Nov. 7, rebels

Spain: cont.

entered park of Casa del Campo on the western outskirts of Madrid, but Government forces continued to hold both banks of River Manzanares.

Nov. 10. Guatemalan and Salvadorean Governments announced their recognition of General Franco's Government.

Nov. 12. Proposal for supervision over entry of arms into Spain approved by Non-Intervention Committee 'in principle'.

Nov. 16. Rebels crossed Manzanares and reached University City.

Nov. 18. General Franco reported to have warned foreign Powers of his intention to blockade Barcelona.

Nov. 18. German and Italian Governments recognized General Franco's Government.

Nov. 20 and 23. Statements by Mr. Eden concerning belligerent rights and the protection of British shipping.

Nov. 23. Non-Intervention Sub-Committee discussed scheme for control over supply of aeroplanes.

Nov. 23. Rebels advanced into West Park of Madrid.

Nov. 26. Albania recognized General Franco's Government.

Nov. 27. Spanish Government appealed to League Council regarding German and Italian intervention.

Dec. 2. Nicaragua stated to have recognized General Franco's Government.

Dec. 2. Non-Intervention Committee decided that supervision plan should be immediately sent to both parties in Spain, and that the Sub-Committee should begin to discuss the question of volunteers.

Dec. 3. Merchant Shipping (Carriage of Munitions to Spain) Bill became law.

Dec. 4. French and British Governments asked Governments of Germany, Italy, Portugal and U.S.S.R. to co-operate in mediating between the Government and rebels and in ending foreign intervention by an effective control scheme.

Dec. 9. Members of Committee agreed to forward to their Governments a report on 'indirect' intervention and foreign volunteers.

Dec. 10–12. League Council considered Spanish Government's appeal.

Dec. 10. Russian reply to Franco-British proposal. Dec. 12, German, Italian and Portuguese replies presented. Dec. 17, Spanish Government's reply presented to British *Chargé d'Affaires*. Dec. 19, General Franco replied to proposal.

Dec. 18. Statement by Mr. Eden in House of Commons. Mr. Eden made representations to German Ambassador concerning the landing of German detachments in Spain. Dec. 23, M. Delbos made similar representations to German Ambassador in Paris.

Dec. 23. Non-Intervention Committee adopted resolution urging that the supervision scheme should be brought into force as soon as possible. It was decided that, subject to a final decision by the Governments concerned on its technical aspects, the scheme should be communicated to the two parties in Spain on Jan. 1.

Dec. 24. British and French diplomatic representatives in Berlin,

Spain: cont.

Rome, Lisbon, and Moscow were instructed to make representations in favour of the control of volunteers.

Dec. 26. Spanish Government warships reported to have seized German steamer *Palos*.

Dec. 31. Anglo-Italian exchange of notes regarding integrity of Spain.

Sweden

1936, June 14. Resignation of Hr. Hansson's Government. June 19, Hr. Pehrson, leader of the Agrarian Party formed a Government. Sept. 20, general election, resulting in gains for Social-Democratic Party. Sept. 27, Hr. Hansson formed an Agrarian-Social Democratic Government.

See also under *League of Nations*, Sept. 21–Oct. 10; *Naval Armaments; Permanent Court of International Justice*, Aug. 6.

Switzerland

1936, Feb. 4. Assassination of Herr Gustloff, leader of German Nazis in Switzerland. Feb. 18, Swiss Federal Council decided to prohibit all German Nazi organizations.

See also under *Abyssinia*, Dec. 23; *Currency; Permanent Court of International Justice*, Aug. 6; *Spain*, Aug. 14.

Syria and Lebanon

1936, Jan. 11–March 1. Strike and other political disturbances caused by Syrian nationalists. Feb. 23, Shaykh Tāju'd-Dīn, Syrian Prime Minister, resigned and was succeeded by ʿAtā Bey al-Ayyūbī. Feb. 25, French High Commissioner addressed conciliatory letter to new Prime Minister. March 1, provisional agreement reached as to reopening of treaty negotiations. Sept. 9, treaty of friendship and military convention concluded (*L'Europe Nouvelle*, Nov. 28, 1936).

Oct. 20. Franco-Lebanese negotiations opened. Nov. 13, treaty of friendship and military convention concluded (*L'Europe Nouvelle*, Nov. 28, 1936).

Nov. 1. President Kemāl Atatürk referred to question of sanjāq of Antioch and Alexandretta in a speech in the National Assembly. Dec. 8, Turkish Government appealed to League Council. Dec. 14–16, question came before Council. Dec. 16, report and resolution adopted regarding despatch of neutral mission to sanjāq and on other measures to be taken before the Council met again in January 1937. Dec. 22, French statement issued regarding failure of Franco-Turkish conversations in Paris to reach agreement as to the future administration of the sanjāq.

See also under *ʿIrāq*, July 4.

Transjordan

See under *Palestine*.

Turkey

1936, March 16. Ratifications exchanged with U.S.S.R. of protocol of Nov. 7, 1935, prolonging friendship and neutrality treaty of Dec. 17, 1925 for ten years.

See also under *Black Sea Straits; Central and South-Eastern Europe*, May 4–6; *Germany*, Nov. 14–20; *Naval Armaments; Permanent Court of International Justice*, March 12; *Rumania*, Sept. 4; *Syria*, Nov. 1.

U.S.A.

1936, Nov. 3. President Roosevelt re-elected and Democratic Administration returned to office by large majority.

See also under *Currency; Ecuador; Naval Armaments; Panamá; Siam.*

U.S.S.R.

1935, Dec. 27. Uruguayan Government broke off diplomatic relations with U.S.S.R. on the ground that the Russian legation in Montevideo had been supporting the Communist movement in Brazil. 1936, Jan. 23 and 24, League Council considered dispute.

1936, Aug. 11. Decree issued lowering age for military service.

Aug. 19–24. Zinoviev, Kamenev and fourteen others were tried and condemned to death on charges of counter-revolutionary terrorism.

Sept. 27. Yagoda transferred from Commissariat of Internal Defence.

Nov. 19–22. Trial of a German engineer, Herr Stickling, and nine Russians on charges of sabotage.

Nov. 25–Dec. 5. Eighth (extraordinary) session of Congress of Soviets. Dec. 5, new constitution adopted (*Moscow News*, Dec. 16, 1936).

See also under *Afghanistan; Czechoslovakia*, July 15, Sept. 23; *Germany*, Sept. 8–14, Nov. 25; *Locarno Treaty*, Feb. 27, March 12, March 27; *Mongolia, Outer; Naval Armaments; Spain; Turkey.*

Uruguay

See under *Spain*, Sept. 22; *U.S.S.R.*, 1935, Dec. 27.

Venezuela

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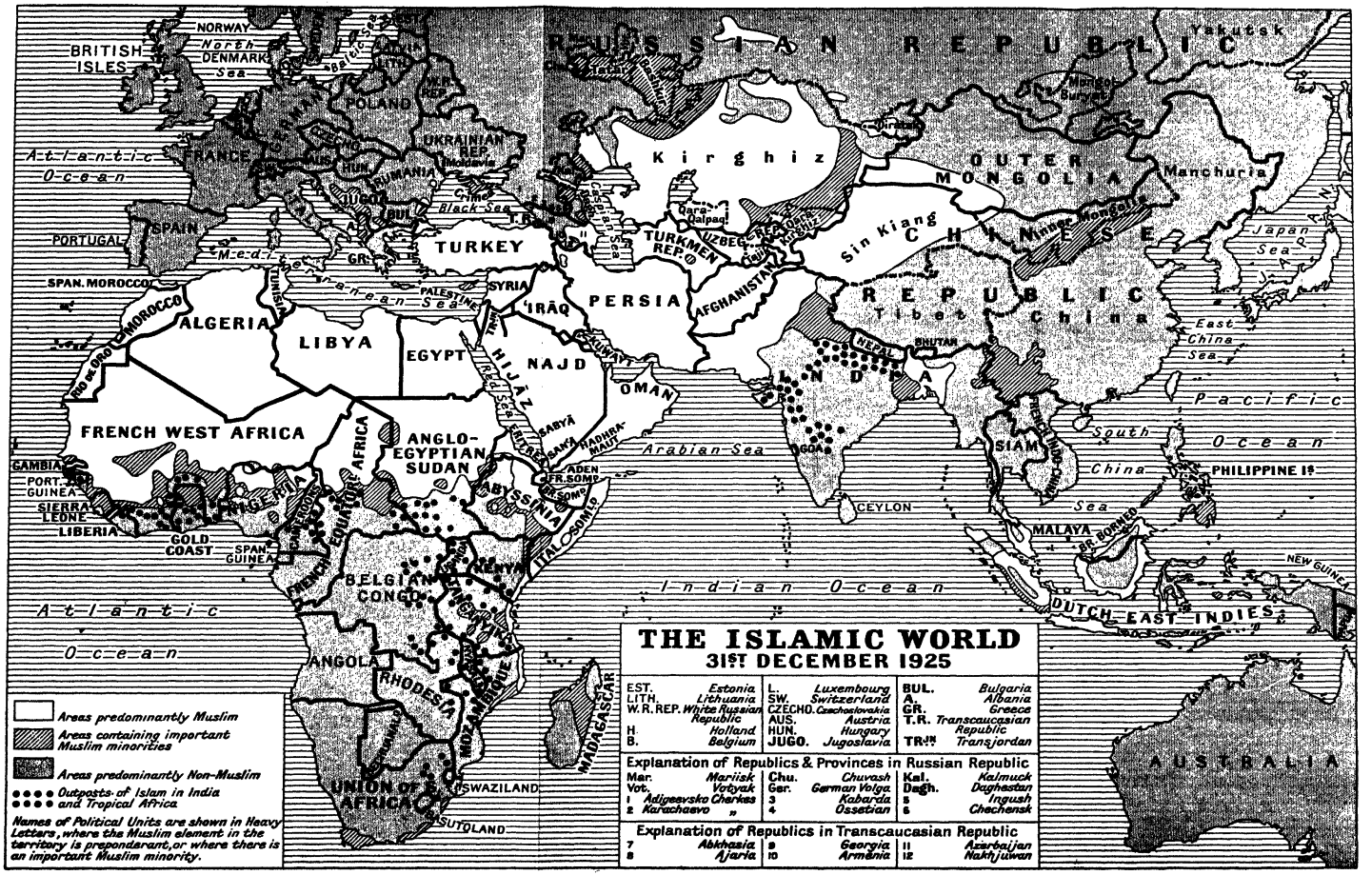
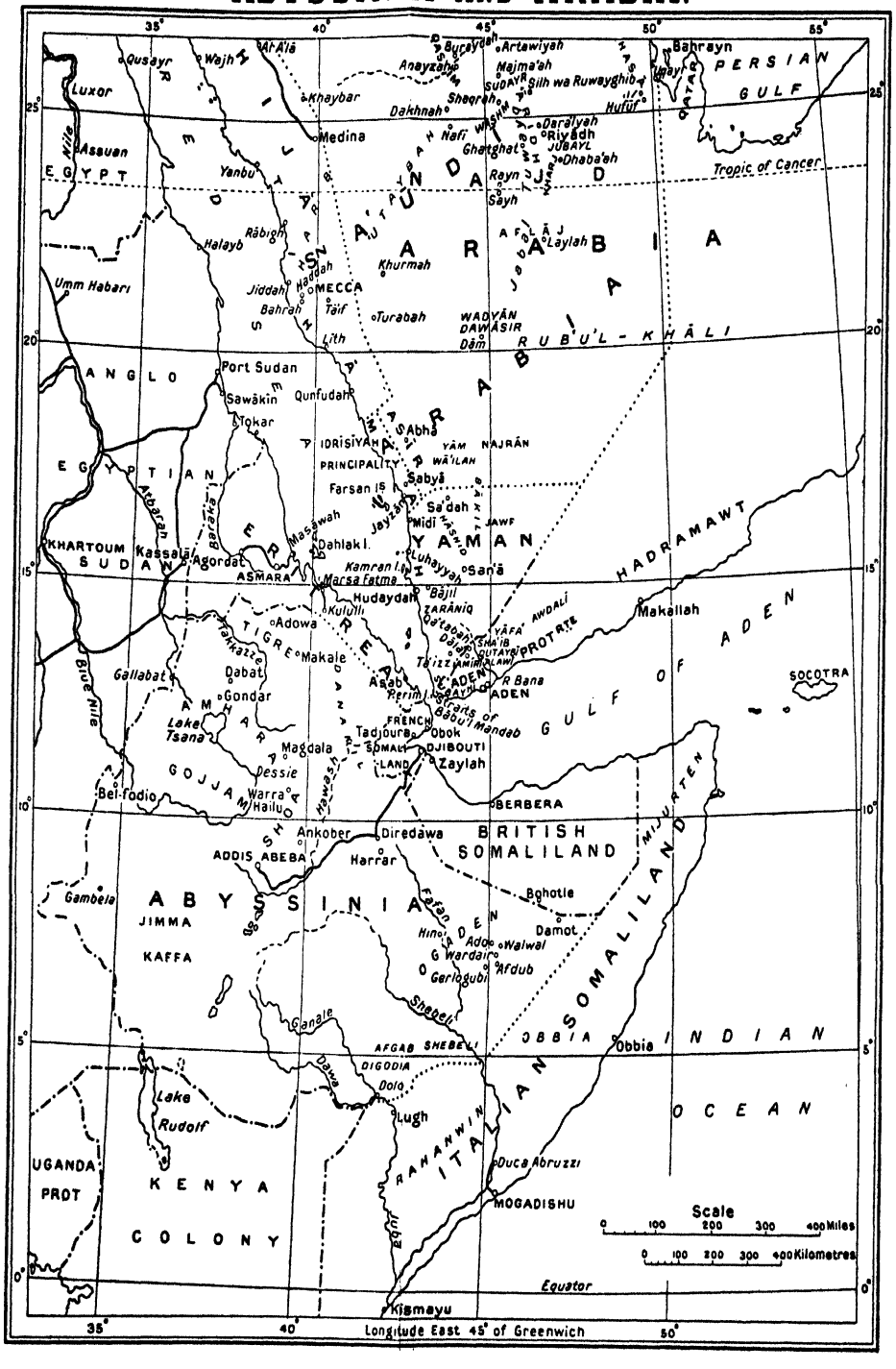
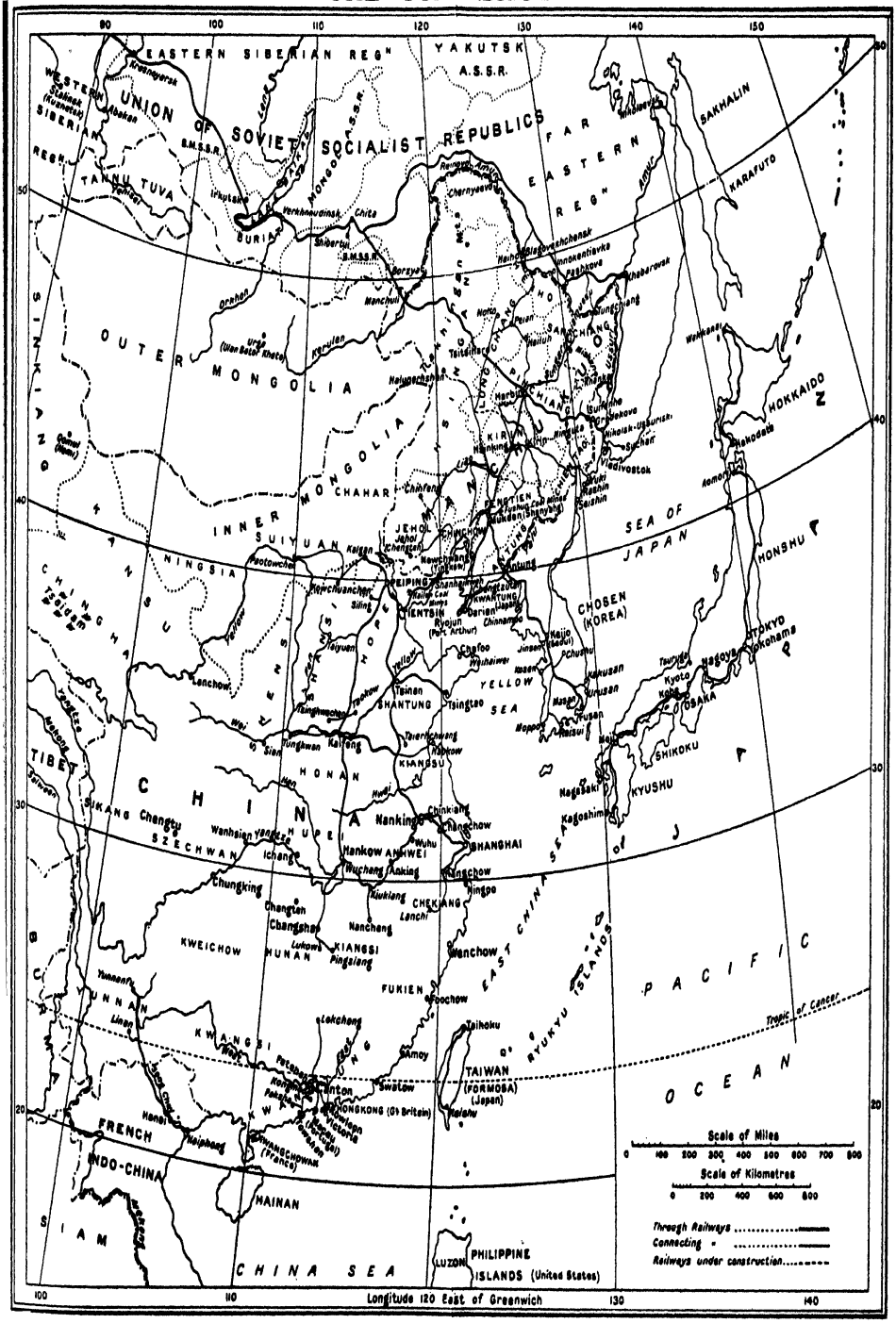

THE ISLAMIC WORLD
31ST DECEMBER 1925
Areas predominantly Muslim
Areas containing important Muslim minorities
Areas predominantly Non-Muslim
Outposts of Islam in India and Tropical Africa
Names of Political Units are shown in Heavy Letters, where the Muslim element in the territory is preponderant, or where there is an important Muslim minority.
EST. Estonia
LITH. Lithuania
W.R.REP. White Russian Republic
H. Holland
B. Belgium
L. Luxembourg
SW. Switzerland
CZECHO. Czechoslovakia
AUS. Austria
HUN. Hungary
JUGO. Jugoslavia
BUL. Bulgaria
A. Albania
GR. Greece
T.R. Transcaucasian Republic
TRJN Transjordan
Explanation of Republics & Provinces in Russian Republic
Mar. Mariisk
Vot. Votyak
1 Adigeevsko Cherkess
2 Karachaevo "
Chu. Chuvash
Ger. German Volga
3 Kabarda
4 Ossetian
Kal. Kalmuck
Dagh. Daghestan
5 Ingush
6 Chechensk
Explanation of Republics in Transcaucasian Republic
7 Abkhasia
8 Ajaria
9 Georgia
10 Armenia
11 Azarbaijan
12 Nakhjuwan
RUSSIAN REPUBLIC
Yakutsk
Kirghiz
OUTER MONGOLIA
Manchuria
Sin Kiang
CHINESE REPUBLIC
Tibet
China
Japan Sea
East China Sea
South China Sea
Pacific Ocean
PHILIPPINE Is
Indian Ocean
Arabian Sea
Atlantic Ocean
NORWAY
North Sea
BRITISH ISLES
DENMARK
POLAND
UKRAINIAN REP.
FRANCE
RUMANIA
Black Sea
PORTUGAL
SPAIN
TURKEY
Mediterranean Sea
SPAN. MOROCCO
MOROCCO
ALGERIA
TUNIS
LIBYA
EGYPT
SYRIA
PALESTINE
'IRAQ
PERSIA
AFGHANISTAN
TURKMEN REP.
UZBEG
KIRGHIZ
NEJD
HIJAZ
KUWAIT
OMAN
ADEN
FR. SOMALI
ITALO-SOMALILD
ABYSSINIA
FRENCH WEST AFRICA
ANGLO-EGYPTIAN SUDAN
GAMBIA
PORT. GUINEA
SIERRA LEONE
LIBERIA
GOLD COAST
SPAN. GUINEA
NIGERIA
FRENCH EQUATORIAL AFRICA
CAMEROONS
BELGIAN CONGO
KENYA
UGANDA
TANGANYIKA
ANGOLA
RHODESIA
MOZAMBIQUE
UNION OF S. AFRICA
SWAZILAND
BASUTOLAND
MADAGASCAR
INDIA
NEPAL
BHUTAN
GOA
CEYLON
SIAM
MALAYA
BR. BORNEO
DUTCH EAST INDIES
NEW GUINEA
AUSTRALIA

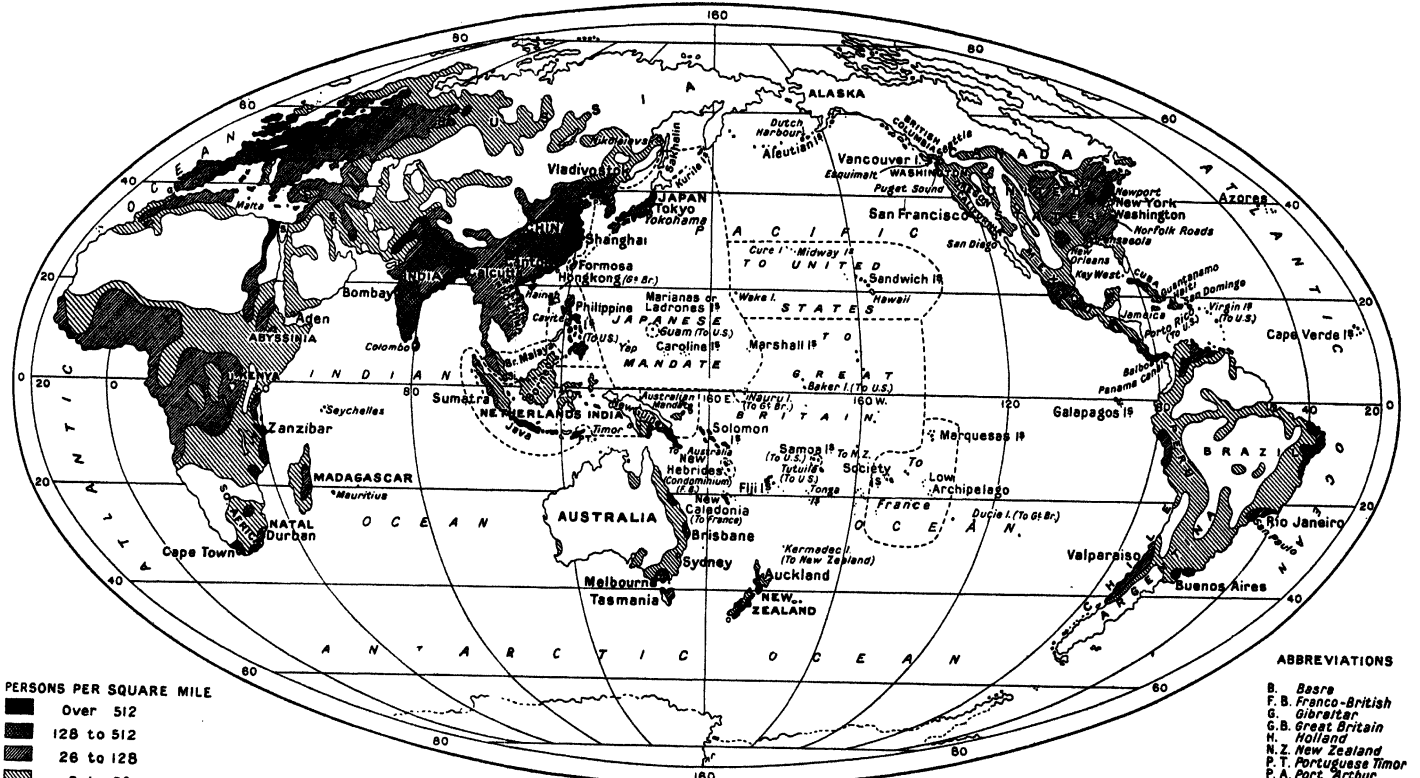
ABYSSINIA AND ARABIA.



THE FAR EAST.


UNION OF SOVIET SOCIALIST REPUBLICS
EASTERN SIBERIAN REGN
YAKUTSK A.S.S.R.
FAR EASTERN REGN
SAKHALIN
KARAFUTO
TANNU TUVA
BURIAT
OUTER MONGOLIA
INNER MONGOLIA
CHAHAR
SUIYUAN
NINGSIA
KIRIN
HOKKAIDO
HONSHU
SEA OF JAPAN
CHOSEN (KOREA)
PEIPING
TIENTSIN
YELLOW SEA
SHANTUNG
HONAN
CHINA
TIBET
SIKANG
SZECHWAN
HUPEH
ANHWEI
SHANGHAI
CHEKIANG
KWEICHOW
HUNAN
KIANGSI
FUKIEN
YUNNAN
KWANGSI
KWANGTUNG
HONGKONG (Gt Britain)
FRENCH INDO-CHINA
HAINAN
SIAM
CHINA SEA
EAST CHINA SEA
RYUKYU ISLANDS
PACIFIC OCEAN
TAIWAN (FORMOSA) (Japan)
LUZON
PHILIPPINE ISLANDS (United States)
SHIKOKU
KYUSHU
Tropic of Cancer
Scale of Miles
Scale of Kilometres
Through Railways
Connecting "
Railways under construction
Longitude 120 East of Greenwich

THE WORLD



PERSONS PER SQUARE MILE

- Over 512
- 128 to 512
- 26 to 128
- 2 to 26
- Under 2

MOLLWEIDE'S PROJECTION (EQUAL AREA)

ABBREVIATIONS

- B. *Basra*
- F. B. *Franco-British*
- G. *Gibraltar*
- G. B. *Great Britain*
- H. *Holland*
- N. Z. *New Zealand*
- P. T. *Portuguese Timor*
- P. A. *Port Arthur*
- S. *Suez*
- Si. *Singapore*
- U. *Uganda*
- U. S. *United States*